

TV. 2422
No. 10946

IN THE
United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT

ETHEL STRICKLAND ROGAN, as Executrix of the
ESTATE OF NAT ROGAN, Collector of Internal
Revenue for the Sixth District of California, Deceased,
Appellant,

vs.

CATHERINE B. FERRY, as Executrix of the Last
Will and Testament of PETER FERRY, Deceased,
Appellee.

TRANSCRIPT OF RECORD

(In Three Volumes)

VOLUME III

BOOK OF EXHIBITS

(Pages 771 to 1040, Inclusive)

Upon Appeal from the District Court of the United States
for the Southern District of California,
Central Division

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[PLAINTIFF'S EXHIBIT NO. 41]

DISTRIBUTION OF INCOME TO PETER L.
FERRY & CATHERINE B. FERRY OF
INCOME FROM TRUST #2012
CITIZENS NATIONAL TRUST & SAVINGS BANK

<u>Date</u>	<u>Amount</u>
Apr. 9, 1925 to Dec. 31, 1925	\$ 552.34
Year 1926	1,042.00
Year 1927	822.50
Year 1928	880.00
Year 1929	719.43
Year 1930	834.28
Year 1931	1,574.91
Year 1932	1,497.72
Year 1933	1,334.51
Year 1934	1,565.97
Jan. 1, 1935 to June 16, 1935	652.20
	<hr/>
Total	\$11,475.86

The above checks payable to Peter L. Ferry and Catherine Ferry.

\$11,281.99 stipulated to be correct amt. and not \$11,475.86 as stated above.

J. F. T. O'CONNOR
Judge

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Plf.
Exhibit No. 41 in evid. Filed 6/3, 1943 By Cross,
Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 42]

DISTRIBUTION OF INCOME OF TRUST #1080
OF TITLE GUARANTEE AND TRUST
COMPANY

<u>Date</u>	<u>Amount</u>
Mar. 4, 1931	\$ 722.93
Nov. 4, 1931	180.00
Nov. 23, 1931	260.00
July 15, 1932	30.45
Oct. 15, 1932	525.00
Nov. 1, 1933	500.00
	<hr/>
Total	\$2,218.38

Stipulated:

The checks for about amts. were made payable to Peter L. Ferry.

JFT

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Plf.
Exhibit No. 42 in evid. Filed 6/3-1943. By Cross,
Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 43]

SECURITY-FIRST NATIONAL BANK OF
LOS ANGELES
TRUST S-5869

1925		September 8	80.09
August 19	\$ 76.86	October 10	80.09
September 11	77.74	November 9	80.09
October 10	75.71	December 12	80.09
November 10	76.20	1928	
December 10	67.12	January 11	80.09
1926		February 8	80.09
January 11	77.04	March 10	80.09
March 18	79.42	April 10	80.09
April 12	30.72	May 10	80.09
May 10	45.37	June 11	80.09
June 10	39.26	July 10	80.09
July 8	40.94	August 11	80.09
August 10	80.09	September 11	80.09
September 8	80.09	October 11	80.09
October 8	80.09	November 9	80.09
November 10	80.09	December 10	80.09
December 10	80.09	1929	
1927		January 11	80.09
January 7	80.09	February 9	80.09
February 10	80.09	March 11	80.09
March 8	80.09	April 10	71.19
April 11	80.09	May 10	71.19
May 10	80.09	June 11	71.19
June 10	80.09	July 10	71.19
July 9	80.09	August 10	71.19
August 17	80.09	September 10	71.19

(Plaintiff's Exhibit No. 43)

October 11	71.19	1932	
November 9	71.19	January 12	80.09
December 10	71.19	February 10	80.09
1930		March 11	80.09
		April 12	51.86
January 10	71.19	May 11	35.55
February 10	71.19	June 10	80.09
March 11	71.19	July 12	80.09
1930—Cont'd.		August 10	80.09
April 10	\$ 71.19	September 10	69.88
May 12	71.19	October 10	4.59
June 11	71.19	November 10	24.00
July 11	71.19	December 10	75.00
August 8	71.19	1933	
September 10	71.19	January 11	80.00
October 10	71.19	February 10	75.00
November 10	71.19	March 15	50.00
December 10	71.19	April 10	16.00
1931		May 11	50.00
		June 10	70.00
January 12	71.19	July 11	80.00
February 11	44.92	August 11	65.00
March 9	71.19	September 11	35.00
April 11	80.09	November 10	75.00
May 11	80.09	December 11	80.00
June 10	80.09	1934	
July 10	80.09	January 11	55.00
August 11	80.09	February 10	50.00
September 10	80.09	March 10	44.00
October 13	80.09	May 10	30.00
November 12	80.09	June 9	85.00
December 11	80.09	July 11	62.00

(Plaintiff's Exhibit No. 43)

August 10	25.00	1935	
September 11	25.00	January 11	23.00
October 11	40.00	February 13	28.00
November 10	25.00	March 9	45.00
December 11	80.00	April 11	30.00
		May 10	30.00
		June 10	80.00
Total for Catherine Ferry			\$7,826.78

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Ptf.
Exhibit No. 43 in evid. Filed 6/3, 1943. By Cross,
Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 44]

DISTRIBUTION OF PORTION OF INCOME OF
TRUST #4358—SECURITY FIRST NATIONAL
BANK

<u>Date</u>	<u>Amount</u>	<u>To Whom Check Payable</u>			
1926					
January 22	\$535.00	Peter L. Ferry & Catherine B. Ferry			
February 1	535.00	“	“	“	“
March 1	535.00	“	“	“	“
April 1	535.00	“	“	“	“
May 1	535.00	“	“	“	“
June 1	535.00	“	“	“	“
July 1	535.00	“	“	“	“
August 2	535.00	“	“	“	“
September 1	535.00	“	“	“	“
October 1	535.00	“	“	“	“
November 1	535.00	“	“	“	“
December 1	535.00	“	“	“	“
1927					
January 3	535.00	“	“	“	“
February 1	535.00	“	“	“	“
March 1	535.00	“	“	“	“
April 1	535.00	“	“	“	“
May 2	535.00	“	“	“	“
June 1	535.00	“	“	“	“
July 1	535.00	“	“	“	“
August 1	535.00	“	“	“	“
September 1	535.00	“	“	“	“
October 1	535.00	“	“	“	“
October 31	535.00	“	“	“	“
November 30	535.00	“	“	“	“
December 30	535.00	“	“	“	“

(Plaintiff's Exhibit No. 44)

1928

January 31	535.00	"	"	"	"
February 29	535.00	"	"	"	"
March 31	535.00	"	"	"	"
April 30	535.00	"	"	"	"
May 31	535.00	"	"	"	"
June 27	535.00	"	"	"	"
July 31	535.00	"	"	"	"
August 31	535.00	"	"	"	"
September 29	535.00	"	"	"	"
October 30	535.00	"	"	"	"

1929

January 1	535.00	"	"	"	"
January 8	246.51	"	"	"	"
February 4	535.00	"	"	"	"
February 27	535.00	"	"	"	"
March 30	535.00	"	"	"	"
April 30	535.00	"	"	"	"
May 31	535.00	"	"	"	"
June 28	535.00	"	"	"	"
July 31	535.00	"	"	"	"
August 29	535.00	"	"	"	"
September 30	535.00	"	"	"	"
October 31	535.00	"	"	"	"
November 30	535.00	"	"	"	"

1930

January 2	535.00	"	"	"	"
January 8	313.29	"	"	"	"

(Plaintiff's Exhibit No. 44)

<u>Date</u>	<u>Amount</u>	<u>To Whom Check Payable</u>			
1930—Cont'd.					
January 27	\$535.00	Peter L. Ferry & Catherine B. Ferry			
February 28	535.00	"	"	"	"
March 29	535.00	"	"	"	"
April 30	535.00	"	"	"	"
May 31	535.00	"	"	"	"
July 1	535.00	"	"	"	"
July 31	475.55	"	"	"	"
August 30	475.55	"	"	"	"
October 1	535.00	"	"	"	"
October 30	535.00	"	"	"	"
December 1	535.00	"	"	"	"
1931					
January 2	535.00	"	"	"	"
January 15	209.68	"	"	"	"
February 2	535.00	"	"	"	"
March 2	535.00	"	"	"	"
April 1	535.00	"	"	"	"
May 1	535.00	"	"	"	"
June 1	535.00	"	"	"	"
July 1	535.00	"	"	"	"
August 1	535.00	"	"	"	"
August 31	535.00	"	"	"	"
October 1	535.00	"	"	"	"
October 31	535.00	"	"	"	"
November 30	535.00	"	"	"	"
December 30	535.00	"	"	"	"

(Plaintiff's Exhibit No. 44)

1932

January 2	201.89	"	"	"	"
January 28	535.00	"	"	"	"
February 29	535.00	"	"	"	"
March 31	535.00	"	"	"	"
April 29	535.00	"	"	"	"
May 31	535.00	"	"	"	"
June 29	535.00	"	"	"	"
July 29	535.02	"	"	"	"
August 31	535.02	"	"	"	"
September 30	535.02	"	"	"	"
November 30	535.02	"	"	"	"
December 29	535.02	"	"	"	"

1933

January 30	535.02	"	"	"	"
March 1	63.00	Catherine B. Ferry			
March 30	63.00	"	"		
April 29	44.00	"	"		
June 1	60.00	"	"		
June 30	14.00	"	"		
July 29	30.00	"	"		
August 31	21.00	"	"		
September 30	63.00	"	"		
October 30	63.00	"	"		
November 29	63.00	"	"		
December 29	63.00	"	"		

1934

January 30	63.00	"	"
February 28	63.00	"	"
March 30	63.00	"	"
April 27	63.00	"	"

(Plaintiff's Exhibit No. 44)

<u>Date</u>	<u>Amount</u>	<u>To Whom Check Payable</u>	
1934—Cont'd.			
May 29	\$ 63.00	Catherine B. Ferry	
June 29	63.00	“	“
July 27	63.00	“	“
August 30	63.00	“	“
September 28	63.00	“	“
November 1	45.00	“	“
December 1	63.00	“	“
December 31	43.00	“	“
1935			
January 30	56.00	“	“
February 27	50.00	“	“
March 29	45.00	“	“
May 1	20.00	“	“
May 29	63.00	“	“
<hr/>			
Total payable solely to Catherine B. Ferry		\$ 1,562.00	
		<hr/>	
Total payable to Peter L. Ferry & Catherine			
B. Ferry		\$46,327.43	

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Plf.
Exhibit No. 44 in evid. Filed 6/3-1943. By Cross,
Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 45]

IT:R

[Crest]

Office of

Internal Revenue Agent in Charge

TREASURY DEPARTMENT

Internal Revenue Service

Los Angeles, California.

Peter L. Ferry,
3030 Chevy Chase Drive,
Glendale, California,

In re: Income Tax

Date of Report: 8 Nov 1930

Years Examined: 1928.

Sir:

Inclosed herewith you will find copy of report covering examination recently made by a representative of this office, concerning your income tax liability, which is furnished for your information and files. The original of this report has been forwarded for final action to the Commissioner of Internal Revenue at Washington, D. C.

No remittance should be made until you receive notice of assessment from the Collector of Internal Revenue for your District. Interest is payable on deficiencies found due as set forth on the inclosed Form 882.

Kindly acknowledge receipt of the inclosed report to the undersigned by return mail.

Respectfully,

Alf Oftedal

Internal Revenue Agent in Charge.

Inclosures:

PY

(Plaintiff's Exhibit No. 45)

-1-

Examining Officer
Vernon C. Harp

Name Peter L. Ferry,
3030 Chevy Chase Drive,
Glendale, California.

STATEMENT OF TOTAL TAX LIABILITY

Year	Tax Previously Assessed	Adjustments Proposed in Accompanying Report		Correct Tax Liability
		Deficiency	Overassessment	
1928	\$2005.19	\$5.86	\$.....	\$2,011.05
Totals.....		.....	.....	.....

Note

The amount shown in the first column of the above statement is the amount assessed on the original return except as indicated in the following summary of adjustments previously made:

Year 19

Original tax
 Deficiency assessed, 19 ,
 or
 Overassessment scheduled....., 19 ,
 Net tax previously assessed.....

Year 19

(Plaintiff's Exhibit No. 45)

-2-

Peter L. Ferry

PRELIMINARY STATEMENT

Summary

<u>Year</u>	<u>Deficiency</u>
1928	\$5.86

The above stated deficiency results largely from the omission of taxable income from Trust No. 5819. Other adjustments are made in net income from business and deduction of contributions.

Taxpayer had six children under 18 years of age and was the sole support of his wife's father and mother.

Changes were discussed with taxpayer who offers no objections and waiver form 870 is submitted.

-3-

Peter L. Ferry

SCHEDULE NO. 1

Block Adjustments

Year 1928

	Husband's Return	Wife's Return	Changes	Husband's corrected	Wife's Corrected
2 Business	12,559.01		(1,681.05)	10,877.96	
3 Interest	3,434.30	3,434.30		3,434.30	3,434.30
4 Trusts	6,722.74	6,722.74	2,326.65	7,886.07	7,886.06
5 Rents	4,293.34	5,471.34		4,882.34	4,882.34
6 Profit Sales	6,846.33	6,846.33		6,846.33	6,846.33
TOTAL	33,855.72	22,474.71	645.60	33,927.00	23,049.03
15 Contributions error in footing	2,797.34 (10.00)		301.44 (10.00)	2,495.90	
TOTAL INCOME	31,068.38	22,474.71	937.04	31,431.10	23,049.03

(Plaintiff's Exhibit No. 45)

SCHEDULE NO. 1-A

Explanation of Items

Item 2. Net income from business.

	Return	Changes	Revised
Sales	258,740.13	(a) 54,900.00	203,840.13
Less Labor	45,042.25		45,042.25
Purchases	191,837.59	(b) 49,969.63	141,867.96
Eqpt. Inventory	4,640.64	(c) 4,640.64	
Depreciation	4,640.64	(d) (1,411.32)	6,051.96
Total	246,161.12	53,198.95	192,962.17
Net Income	12,579.01	1,701.05	10,877.96

-4-

Peter L. Ferry

Schedule No. 1-A (cont.)

Net Income	\$12,579.01	\$1,701.05	\$10,877.96
Error on Return	20.00		

(a) Receipts from borrowed money.

(b) Items included in purchases as follows:

Land Investment	\$ 5,500.00
Improvement Assessments	4,069.84
Note payments & money transfers	37,095.63
School tuitions	1,804.16
Church Donations	1,500.00

Total	\$49,969.63
-------	-------------

(Plaintiff's Exhibit No. 45)

(c) Decrease in equipment inventory also deducted as depreciation.

(d) Depreciation of contractors equipment allowed as follows:

Table of Depreciation

Balance	12/31/27	\$60,041.38
		<hr/>
"	12/31/28	60,041.38
Deduct Bal.	12/31/23	29,781.60
		<hr/>
Balance	12/31/28	\$30,259.78

Depreciation at 20% \$ 6,051.96

No equipment has been purchased since year 1926 and deduction is allowed at rate used in computation of prior years allowance.

Item 3. Interest income was accurately reported.

Item 4. Income from trusts.

A.	#4358	\$ 2,439.88
B.	#2012	5,126.35
C.	#5869	2,126.24
D.	#1052	3,753.01
E.	#5819	2,326.65
		<hr/>
	Total	\$15,772.13

(Plaintiff's Exhibit No. 45)

-5-

Peter L. Ferry

Schedule No. 1-A (cont.)

One-half to each husband and wife \$7,886.07.
Income from items "A" to "D" inclusive consist of interest and amounts were accurately reported. Income from item "E" represents the distributive income as indicated in R.A.R. O.A. Danielson, dated 7-23-1930. No cash distribution was made and taxpayer omitted to report the accrued income.

Item 5. Rental income was accurately reported. Depreciation is allowable as computed at 4% but deductible in amount of one-half to each husband and wife.

Item 6. Profit of \$13,692.66 was accurately reported as indicated in partnership return of Glendale Airport Association examined by Agent Calkins on Sept. 11, 1930.

Item 15. Contributions are allowed as follows:

Glendale Community Chest	\$ 135.00
Rev. Father Howard Bldg. Fund	1,500.00
Church Contributions	860.90
Total	<hr/> 2,495.90

Contributions were disbursed out of business income and deductible by husband.

(Plaintiff's Exhibit No. 45)

-6-

Peter L. Ferry

SCHEDULE NO. 2

Computation of Tax

	Year 1928.
Net income (from schedule 1)	\$31,431.10
	<hr/>
Income subject to surtax	\$31,431.10
Less: Personal exemption and credit for dependents	6,700.00
	<hr/>
Balance subject to normal tax	\$24,731.10
Normal tax at	
1½% on \$ 4,000.00	60.00
3% 4,000.00	120.00
5% 16,731.10	836.56
Surtax on 31,431.10	994.49
	<hr/>
Total Tax	\$ 2,011.05
Tax previously assessed	2,005.19
	<hr/>
Additional tax to be assessed	\$ 5.86
	<hr/> <hr/> <hr/>

(Plaintiff's Exhibit No. 45)

Nov. 13, 1930

Mr. Peter L. Ferry,
3030 Chevy Chase Dr
Glendale, Calif.

Nov. 510161—1930 L

This office has received from the Internal Revenue Agent in Charge, together with the related documents, your agreement consenting to the immediate assessment of an income tax deficiency for the year or years 1928, amounting to \$5.86.

Interest from the date the tax should have been paid if the return or returns had been correctly prepared is accruing on the deficiency at the rate of one-half of 1% per month. If the deficiency is paid immediately, the interest will run to the date of payment. Otherwise, the interest will run to date of assessment or to thirty days after the filing of your waiver, whichever is earlier. Interest computed up to 10/27/30 amounts to \$.57 on or before 10/24/30.

It is requested that you return the inclosed copy of this letter with your remittance covering both the tax and interest at your earliest convenience, using the franked envelope which requires no postage; otherwise the amount of the additional tax, together with a greater amount of interest, will be included in a formal notice and demand which will be sent you as soon as the items can be listed for assessment.

(Plaintiff's Exhibit No. 45)

Deficiency Tax	5.86
“ Int	.57
	<hr/>
	6.43

Respectfully,

Galen H. Welch,
Collector,

By E M Cohee KT
E. M. Cohee,
Chief Office Deputy.

#233

Nov. 13, 1930

Mrs. Peter L. Ferry,
3030 Chevy Chase Dr
Glendale, Calif.

Nov. 510160—1930 L

This office has received from the Internal Revenue Agent in Charge, together with the related documents, your agreement consenting to the immediate assessment of an income tax deficiency for the year or years 1928, amounting to \$96.43.

Interest from the date the tax should have been paid if the return or returns had been correctly prepared is accruing on the deficiency at the rate of one-half of 1% per month. If the deficiency is paid immediately, the

(Plaintiff's Exhibit No. 45)

interest will run to the date of payment. Otherwise, the interest will run to date of assessment or to thirty days after the filing of your waiver, whichever is earlier. Interest computed up to 10/27/30 amounts to \$9.35 on or before 11/24/30.

It is requested that you return the inclosed copy of this letter with your remittance covering both the tax and interest at your earliest convenience, using the franked envelope which requires no postage; otherwise the amount of the additional tax, together with a greater amount of interest, will be included in a formal notice and demand which will be sent you as soon as the items can be listed for assessment.

Deficiency Tax	96.43
“ Int	9.35
	<hr/>
	105.78

Respectfully,

Galen H. Welch,
Collector,

By E M Cohee KT
E. M. Cohee,
Chief Office Deputy.

(Plaintiff's Exhibit No. 45)

IT:R

[Crest]

Office of

Internal Revenue Agent in Charge

TREASURY DEPARTMENT

Internal Revenue Service

Los Angeles, California.

Mrs. Peter L. Ferry,
3030 Chevy Chase Drive,
Glendale, California.

In re: Income Tax

Date of Report: 8 Nov 1930

Years Examined: 1928.

Madam:

Inclosed herewith you will find copy of report covering examination recently made by a representative of this office, concerning your income tax liability, which is furnished for your information and files. The original of this report has been forwarded for final action to the Commissioner of Internal Revenue at Washington, D. C.

No remittance should be made until you receive notice of assessment from the Collector of Internal Revenue for your District. Interest is payable on deficiencies found due as set forth on the inclosed Form 882.

Kindly acknowledge receipt of the inclosed report to the undersigned by return mail.

Respectfully,

Inclosures:

Alf Oftedal

Internal Revenue Agent in Charge.

PY

Make check

(Plaintiff's Exhibit No. 45)

-1-

Examining Officer
Vernon C. Harp

Name Mrs. Peter L. Ferry
3030 Chevy Chase Drive,
Glendale, Calif.

STATEMENT OF TOTAL TAX LIABILITY

Year	Tax Previously Assessed	Adjustments Proposed in Accompanying Report		Correct Tax Liability
		Deficiency	Overassessment	
1928	\$1,196.46	\$96.43	\$.....	\$1,292.89
Totals.....		.....	.....	.....

Note

The amount shown in the first column of the above statement is the amount assessed on the original return except as indicated in the following summary of adjustments previously made:

Year 19

Original tax
 Deficiency assessed....., 19 ,
 or
 Overassessment scheduled....., 19 ,
 Net tax previously assessed.....

Year 19

(Plaintiff's Exhibit No. 45)

-2-

Mrs. Peter L. Ferry.

PRELIMINARY STATEMENT

Summary

<u>Year</u>	<u>Deficiency</u>
1928	\$96.43

The above stated deficiency results from the increase in income from trusts as indicated in Schedule 1 of report of husband attached.

Changes were discussed with husband, Peter L. Ferry, who offers no objections, and waiver from 870 is submitted.

-3-

Mrs. Peter L. Ferry

SCHEDULE NO. 1

Computation of Tax

	Year 1928.
Net income (from Schedule 1) of report of husband	\$23,049.03
Income subject to surtax	\$23,049.03
Personal exemption and credit for dependents allowed in husband's report	\$23,049.03
Normal tax at	
1½% on \$ 4,000.	60.00
3% 4,000.	120.00
5% 15,049.03	752.45
Surtax on 23,049.03	382.94 1,315.39
Total Tax	\$ 1,315.39

(Plaintiff's Exhibit No. 45)

Less: Credit of 25% for earned net income (from Schedule 1-A)	22.50
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Total Tax Assessable	\$ 1,292.89
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Tax previously assessed	1,196.46
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Additional tax to be assessed	\$ 96.43
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SCHEDULE NO. 1-A

Computation of Earned Income Credit

	Year 1928.
Earned net income	\$5,000.00

Normal tax at

1% $\frac{1}{2}$ on \$4,000.	60.00	
3% 1,000.	30.00	90.00

Total Tax	\$ 90.00
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Credit of 25 per cent	\$ 22.50
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[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Plf.
Exhibit No. 45 in evid. Filed 6/3, 1943 By Cross,
Deputy Clerk.

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
OR INCOMES, REGARDLESS OF AMOUNT, FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1928

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1929

(PRINT NAME AND ADDRESS PLAINLY BELOW)

Mrs Peter L Ferry

(Name)

3030 Greely Chase Drive

(Street and number, or rural route)

Glendale Cal Los Angeles

(Post office)

(County)

Cal

(State)

Occupation, Profession, or Business *Housewife*

NOV 11 1928

November 31 1928

- Are you a citizen or resident of the United States? *yes*
- If you filed a return for 1927, to what Collector's office was it sent? *Return for 1927 sent to*
- Is this a joint return of husband and wife? *no*
- State name of husband or wife if a separate return was made and the Collector's office where it was sent: *Mr Perry Los Angeles*
- Were you married and living with husband or wife on the last day of your taxable year? *yes*
- If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you?
- If your status in respect to questions 5 and 6 changed during the year, state date and nature of change.
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective receiving their chief support from you on the last day of your taxable year?

INCOME *1928*

Amount received

Excess paid (Explain in Schedule F)

- Salaries, Wages, Commissions, etc. (State name and address of person from whom received) *6*
- Income from Business or Profession. (From Schedule A) *20*
- Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest upon which a tax was paid at source) *3.434.20*
- Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
- Income from Partnerships. (State name and address)
- (a) Income from Fiduciaries. (State name and address) *Calington Trust Company Bank Los Angeles Trust Company Bank Security Trust Company Bank 1011 Broadway New York*
- Rents and Royalties. (From Schedule B)
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- Dividends on Stock of Domestic Corporations
- Taxable Interest on Liberty Bonds, etc. (From Schedule D)
- Other Income (including dividends received on stock of foreign corporations). (State nature of income)
- (a)
- (b)
- TOTAL INCOME IN ITEMS 1 TO 9 *42,474.71*

DEDUCTIONS

- Interest Paid
- Taxes Paid. (Explain in Schedule F)
- Losses by Fire, Storm, etc. (Explain in Table on page 2)
- Bad Debts. (Explain in Schedule F)
- Contributions. (Explain in Schedule F)
- Other Deductions Authorized by Law. (Explain in Schedule F)
- TOTAL DEDUCTIONS IN ITEMS 11 TO 16
- Net Income (Item 10 minus Item 17)

EARNED INCOME CREDIT

- Earned Net Income (not over \$30,000)
- Less Personal Exemption and Credit for Dependents (see Instruction 20) *600*
- Balance (Item 19 minus Item 20) *29,400*
- Amount taxable at 1 1/2% (not over the first \$4,000 of Item 21)
- Amount taxable at 3% (not over the second \$4,000 of Item 21)
- Amount taxable at 5% (balance over \$8,000 of Item 21)
- Normal Tax (1 1/2% of Item 22) *62*
- Normal Tax (3% of Item 23)
- Normal Tax (5% of Item 24)
- Surat on Item 19 (see Instruction 21)
- Tax on Earned Net Income (total of Items 25, 26, 27, and 28)
- Credit of 25% of Item 29 (not over 25% of Items 24, 42, 43, and 44)

COMPUTATION OF TAX (See Instruction 21)

- Net Income (Item 18 above) *\$27,574.71*
- Less Dividends (Item 7 above)
- Interest on Liberty Bonds, etc. (Item 8)
- Credit for Dependents *300.00*
- Personal Exemption
- Total of Items 32, 33, 34, and 35 *800.00*
- Balance (Item 31 minus Item 36) *\$21,674.71*
- Amount taxable at 1 1/2% (not over the first \$4,000 of Item 37)
- Balance (Item 37 minus Item 38) *\$19,747.71*
- Amount taxable at 3% (not over the second \$4,000 of Item 37)
- Amount taxable at 5% (balance over \$8,000 of Item 37) *\$1,674.71*
- Normal Tax (1 1/2% of Item 38)
- Normal Tax (3% of Item 40)
- Normal Tax (5% of Item 41)
- Surat on Item 18 (see Instruction 21)
- Tax on Net Income (total of Items 42, 43, 44, and 45)
- Adjustment for Capital Gain or Loss (12 1/2% of Column 9, Schedule A)
- Total of difference between Item 46 and 47
- Less Credit of 25% of Item 48 (see Instruction 21)
- Total Tax (Item 48 minus Item 49)
- Less Income Tax Paid at Source
- Income and Profits Taxes paid to foreign countries (see Instruction 21)
- Balance of Tax (Item 50 minus Item 51 and 52)

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and to the best of my knowledge is a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1928, and the Regulations thereunder.

Cost of Goods Sold		Other Business Deductions	
1. Total receipts from business operations (state kind of business)		10. Salaries, exclusive of "Labor," reported on Line 2	
2. Labor		11. Interest on business indebtedness to others	
3. Material and supplies		12. Taxes on business and business property	
4. Merchandise bought for sale		13. Losses (explain in table provided here for a list of page)	
5. Other costs (itemize below or on separate sheet)		14. Bad debts arising from sales or services	
6. Plus inventory at beginning of year		15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)	
7. Total (Lines 2 to 6, inclusive)		16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
8. Less inventory at end of year		17. Total (Lines 10 to 16, inclusive)	
9. Net Cost of Goods Sold (Line 7 minus Line 8)		18. Total Deductions (Line 9 plus Line 17)	
Note.—Enter "C" or "CM" on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.		19. Net Profit (Line 1 minus Line 18) (Enter as Item 2)	
Explanation of deductions claimed on Lines 5 and 16			

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)						
1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION ALLOWANCE SINCE ACQUISITION	6. REPAIRS	7. OTHER DEDUCTIONS (Explain below)
14 Franchise Development	5471	37	29750			
Explanation of deductions claimed in Column 7						

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)						
1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWANCE SINCE ACQUISITION	5. COST	6. VALUE AS OF MARCH 1, 1913	7. OTHER DEDUCTIONS (Explain below)
14 Franchise Development		5471		29750		
Acq. cost		12484		5637		
State how property was acquired						

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 7)						
1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWANCE SINCE ACQUISITION	6. COST	7. VALUE AS OF MARCH 1, 1913
	Mo. Day Year	Mo. Day Year				

State how property was acquired

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 8)				
1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ALLOWED	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT PAID FOR TAXATION	5. AMOUNT OWNED IN EXCESS OF \$5,000
(a) Obligations of a State, Territory or political subdivision thereof, or the District of Columbia	807	17	All	XXXXXX
(b) Securities issued under Federal Farm Loan Act, or under such Act as Amended			All	XXXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States			All	XXXXXX
(d) Liberty 1% and 4½% Bonds, Treasury 3½%, 3¼%, 4%, and 4½% Bonds, Treasury Certificates of Indebtedness, and Treasury Savings Certificates			\$5,000	
(e) Treasury Notes			None	

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16				

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B						
1. KIND OF PROPERTY (If it is a building, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQ. BEG.	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION ALLOWANCE SINCE ACQUISITION	6. COST	7. VALUE AS OF MARCH 1, 1913

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 13						
1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION ALLOWANCE SINCE ACQUISITION	6. COST	7. VALUE AS OF MARCH 1, 1913

INDIVIDUAL INCOME TAX RETURN

Do Not Write in These Spaces
9198651

FOR NET INCOME FROM SALARIES OR WAGES OF MORE THAN \$5,000
OR INCOME, REGARDLESS OF AMOUNT, FROM BUSINESS, PROFESSION, RENT, OR SALE OF PROPERTY

For Calendar Year 1928

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1929

(PRINT NAME AND ADDRESS PLAINLY BELOW)

Peter L Ferry & Helen Coppenhake

3030 Clevy Chase
(Street and number, or rural route)

Los Angeles Cal
(County) (State)

Nov 25 1930
(Occupation, Profession, or Business) *During Contract*

Serial Number
Filing with Return
37 1029

City, Count or Post Office of California

Club, Church, M.C., Order of B.

Carded

a citizen or resident of the United States
did a return for 1927, as Collector's office was it not
joint return
band and wife
one of husband or wife if
state return was made and the
prior's office where it was sent

- Were you married and living with husband or wife on the last day of your taxable year? *yes*
- If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you? *no*
- If your status in respect to questions 1 and 2 changed during the year, state date and nature of change. *no*
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable year? *0*

Wages, Commissions, etc. (State name and address of person from whom received)

Amount received
Exemption paid
(Exemption for children)

Income from Business or Profession. (From Schedule A)
Interest on Bank Deposits, Note, Corporation Bonds, etc. (except interest upon which a tax was paid at source)

Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source

Income from Partnerships. (State name and address)

Income from Fiduciaries. (State name and address) *Los Angeles Trust National Trust Co Security Trust*
Los Angeles Trust Co Citizens Trust Co

Dividends and Royalties. (From Schedule B)

Income from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)

Income from Stock of Domestic Corporations

Income from Interest on Liberty Bonds, etc. (From Schedule E)

Income (including dividends received on stock of foreign corporations). (State nature of income)

TOTAL INCOME IN ITEMS 1 TO 9

DEDUCTIONS

- Interest Paid. (Explain in Schedule F)
- Losses by Fire, Storm, etc. (Explain in Table on page 2)
- Charitable Contributions. (Explain in Schedule F)
- Deductions Authorized by Law. (Explain in Schedule F)

TOTAL DEDUCTIONS IN ITEMS 11 TO 18

Net Income (Item 10 minus Item 17)

EARNED INCOME CREDIT

- Normal Tax (14% of Item 20) *\$400.00*
- Surplus Tax (5% of Item 21) *\$100.00*
- Normal Tax (3% of Item 23) *\$100.00*
- Normal Tax (5% of Item 24) *\$100.00*
- Normal Tax (10% of Item 25) *\$100.00*
- Normal Tax (15% of Item 26) *\$100.00*
- Normal Tax (20% of Item 27) *\$100.00*
- Normal Tax (25% of Item 28) *\$100.00*
- Normal Tax (30% of Item 29) *\$100.00*
- Normal Tax (35% of Item 30) *\$100.00*
- Normal Tax (40% of Item 31) *\$100.00*
- Normal Tax (45% of Item 32) *\$100.00*
- Normal Tax (50% of Item 33) *\$100.00*
- Normal Tax (55% of Item 34) *\$100.00*
- Normal Tax (60% of Item 35) *\$100.00*
- Normal Tax (65% of Item 36) *\$100.00*
- Normal Tax (70% of Item 37) *\$100.00*
- Normal Tax (75% of Item 38) *\$100.00*
- Normal Tax (80% of Item 39) *\$100.00*
- Normal Tax (85% of Item 40) *\$100.00*
- Normal Tax (90% of Item 41) *\$100.00*
- Normal Tax (95% of Item 42) *\$100.00*
- Normal Tax (100% of Item 43) *\$100.00*

COMPUTATION OF TAX (See Instruction 21)

31 Net Income (Item 10 above)	31068 38	42 Normal Tax (14% of Item 38)	\$ 600.00
32 Less Dividends (Item 11 above)	2400.00	43 Normal Tax (3% of Item 40)	120.00
33 Interest on Liberty Bonds, etc. (Item 8)	2400.00	44 Normal Tax (5% of Item 41)	858.4
34 Credit for Dependents	2400.00	45 Surplus Tax on Item 18 (see Instruction 21)	965.4
35 Personal Exemption	3000.00	46 Tax on Net Income (Total of Items 42, 43, 44, and 45)	2003.8
36 Total of Items 32, 33, 34, and 35	5900.00	47 Adjustment for Capital Gains (see Instruction 21)	
37 Balance (Item 31 minus Item 36)	25768 38	48 Total of difference between Items 46 and 47	
38 Amount taxable at 14% (not over the first \$4,000 of Item 37)	400.00	49 Less Credit of 25% of Tax on Earned Net Income (Item 30)	376.7
39 Balance (Item 37 minus Item 38)	2169 39	50 Total Tax (Item 48 minus Item 49)	
40 Amount taxable at 3% (not over the second \$4,000 of Item 37)	600.00	51 Less Income Tax Paid at Source	
41 Amount taxable at 5% (balance over \$8,000 of Item 37)	7168 38	52 Income and Profit Taxes paid to a foreign country or to a possession of the United States	
		53 Balance of Tax (Item 50 minus Items 51 and 52)	1027.0

AFFIDAVIT

I, the undersigned, after affording the accompanying schedule and statements (if any), has been examined by me, and to the best of my knowledge and belief the complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1928, and the Regulations thereunder, is true and correct.

on and subscribed before me this 13 day of March, 1929

Peter L Ferry

Organ Behavior Diagram

ation of deductions
ed on lines 8 and 10. 20 Depreciation on Constant Energy Road 6th corner & East Corner of 6th

1. Kind of Property

14 Frame Develop

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

Air Port

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS

1. KIND OF PROPERTY

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See instruction 8)

(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

14 Frame Drawing

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 11.

1. Name of Person	2. Date Acquired	3. Cost	4. Val. at 12/31/2012	5. Description	6. Depreciation	7. Total Depreciation

POLICY 2145687.
2145-686 to 2145-691, Inc.

The Equitable Life Assurance Society

check!

No. 2103

GLENDALE, CALIFORNIA

March 22 1927

***\$127AND00CTS

DOLLARS

CATIONAL BANK

GLENDALE, CALIFORNIA

PETER L. FERRY
GENERAL CONTRACTOR
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
PHONE OLIVE 1280 CA HYD 0884

No. 25914

GLENDALE, CAL.

June 25 1927

***\$779AND40CTS

DOLLARS

LE STATE BANK

PETER L. FERRY
GENERAL CONTRACTOR
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

No. 2112

GLENDALE, CALIFORNIA

March 22 1928

***\$127AND00CTS

DOLLARS

CATIONAL BANK

GLENDALE, CALIFORNIA

PETER L. FERRY
GENERAL CONTRACTOR
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

No. 2499

GLENDALE, CALIFORNIA

March 22 1928

***\$127AND00CTS

DOLLARS

CATIONAL BANK

GLENDALE, CALIFORNIA

PETER L. FERRY
GENERAL CONTRACTOR
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

No. 2100

GLENDALE, CALIFORNIA

March 22 1928

PAY TO THE ORDER OF
Merchants Bank
APR 4 1928
ANGELES BANK
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

PAY TO THE ORDER OF
Merchants Bank
APR 4 1928
ANGELES BANK
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

ANY BANK
All Other Banks
MAY 29 1927
MERCHANTS BANK
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

PAY TO THE ORDER OF
Merchants Bank
APR 4 1928
ANGELES BANK
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

PAY TO THE ORDER OF
Merchants Bank
APR 4 1928
ANGELES BANK
FERNANDO ROAD AND BROADWAY
GLENDALE CALIF
4 GLENDALE 1280 CA HYD 0884

L. FERRY
AL CONTRACTOR
1200 ROAD 14th BROADWAY
GLENDALE CALIF
NO 4 7480 - 18 1944 0884
GLENDALE CALIFORNIA
P. June 22 1947
\$ 20.00
***\$123405CTS
DOLLARS
NATIONAL BANK
GLENDALE, CALIFORNIA
Peter L. Ferry
Glendale, Calif

L. FERRY
AL CONTRACTOR
1200 ROAD 14th BROADWAY
GLENDALE CALIF
NO 4 7480 - 18 1944 0884
GLENDALE CALIFORNIA
P. June 22 1947
\$ 20.00
***\$123405CTS
DOLLARS
NATIONAL BANK
GLENDALE, CALIFORNIA
Peter L. Ferry
Glendale, Calif

L. FERRY
AL CONTRACTOR
1200 ROAD 14th BROADWAY
GLENDALE CALIF
NO 4 7480 - 18 1944 0884
GLENDALE CALIFORNIA
P. June 22 1947
\$ 20.00
***\$123405CTS
DOLLARS
NATIONAL BANK
GLENDALE, CALIFORNIA
Peter L. Ferry
Glendale, Calif

L. FERRY
AL CONTRACTOR
1200 ROAD 14th BROADWAY
GLENDALE CALIF
NO 4 7480 - 18 1944 0884
GLENDALE CALIFORNIA
P. June 22 1947
\$ 20.00
***\$123405CTS
DOLLARS
NATIONAL BANK
GLENDALE, CALIFORNIA
Peter L. Ferry
Glendale, Calif

L. FERRY
AL CONTRACTOR
1200 ROAD 14th BROADWAY
GLENDALE CALIF
NO 4 7480 - 18 1944 0884
GLENDALE CALIFORNIA
P. June 22 1947
\$ 20.00
***\$123405CTS
DOLLARS
NATIONAL BANK
GLENDALE, CALIFORNIA
Peter L. Ferry
Glendale, Calif

L. FERRY
AL CONTRACTOR
1200 ROAD 14th BROADWAY
GLENDALE CALIF
NO 4 7480 - 18 1944 0884
GLENDALE CALIFORNIA
P. June 22 1947
\$ 20.00
***\$123405CTS
DOLLARS
NATIONAL BANK
GLENDALE, CALIFORNIA
Peter L. Ferry
Glendale, Calif

PAY TO THE ORDER OF
NATIONAL BANK
GLENDALE, CALIFORNIA
10-10-10

10-10-10
NATIONAL BANK
GLENDALE, CALIFORNIA
10-10-10

BANK OF AMERICA
10-10-10
10-10-10

BANK OF AMERICA
10-10-10
10-10-10

BANK OF AMERICA
10-10-10
10-10-10

BANK OF AMERICA
10-10-10
10-10-10

No. 4786

GLENDALE CALIFORNIA

\$ 20.00

★★\$120 AND 5 CTS

DOLLARS

NAL BANK
LE, CALIFORNIA

No. 4785

GLENDALE CALIFORNIA

\$ 20.00

★★\$120 AND 5 CTS

DOLLARS

NAL BANK
LE, CALIFORNIA

No. 58671

PETER L. FERRY
GENERAL CONTRACTOR

GLENDALE CALIFORNIA

★★\$122 AND 44 CTS

DOLLARS

NAL BANK
ORNIA

No. 5865

PETER L. FERRY
GENERAL CONTRACTOR

GLENDALE CALIFORNIA

★★\$122 AND 44 CTS

DOLLARS

NAL BANK
ORNIA

No. 5869

PETER L. FERRY
GENERAL CONTRACTOR

GLENDALE CALIFORNIA

★★\$122 AND 44 CTS

DOLLARS

NAL BANK
ORNIA

No. 5870

PETER L. FERRY
GENERAL CONTRACTOR

GLENDALE CALIFORNIA

BA
CA
L
6/10-1018

BA
CA
L
6/10-1018



PETER L. FERRY
GENERAL CONTRACTOR

No. 5571

GLENDALE CALIFORNIA

***\$117 AND 05 CTS

DOLLARS



PETER L. FERRY
GENERAL CONTRACTOR

No. 5572

GLENDALE CALIFORNIA

***\$117 AND 05 CTS

DOLLARS



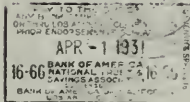
PETER L. FERRY
GENERAL CONTRACTOR

No. 7409

GLENDALE, CAL.

***\$541.74 CTS

DOLLARS



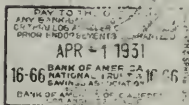
PETER L. FERRY
GENERAL CONTRACTOR

No. 7408

GLENDALE, CAL.

***\$541.74 CTS

DOLLARS



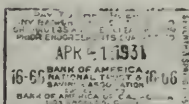
PETER L. FERRY
GENERAL CONTRACTOR

No. 7407

GLENDALE, CAL.

***\$541.74 CTS

DOLLARS



PETER L. FERRY
GENERAL CONTRACTOR

No. 7406

GLENDALE, CAL.

PETER L. FERRY
GENERAL CONTRACTOR

No. 7105

GLENDALE, CAL.

1931

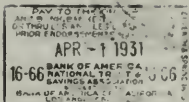
PAY TO THE
ORDER OF

Equitable Life Insurance Society \$62.50
***\$62.50**

DOLLARS

NAL BANK
D
DALE, CALIF.

Peter L. Ferry



PETER L. FERRY
GENERAL CONTRACTOR

No. 7104

GLENDALE, CAL.

1931

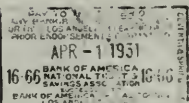
PAY TO THE
ORDER OF

Equitable Life Insurance Society \$62.50
***\$62.50**

DOLLARS

NAL BANK
D
DALE, CALIF.

Peter L. Ferry



PETER L. FERRY
GENERAL CONTRACTOR

No. 7110

GLENDALE, CAL.

1931

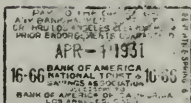
PAY TO THE
ORDER OF

Equitable Life Insurance Society \$346.70
***\$346.70**

DOLLARS

NAL BANK
D
DALE, CALIF.

Peter L. Ferry



PETER L. FERRY
GENERAL CONTRACTOR

No. 10312

GLENDALE, CAL.

1933

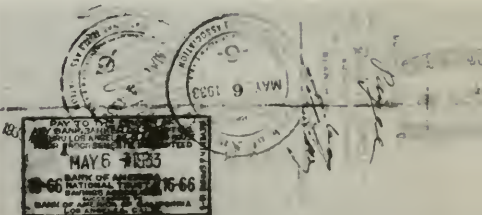
PAY TO THE
ORDER OF

Equitable Life Insurance Society \$843.35
***\$843.35**

DOLLARS

NAL BANK
D
DALE, CALIF.

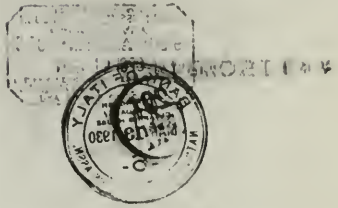
Peter L. Ferry



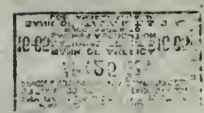
FACTOR
 BRADWAY
 N.Y.C.
 N.Y.C. 0822
 GLENDALE, CALIFORNIA
 March 17 1928
 \$150.00
 ***130 AND 44 CTS
 DOLLARS
 NATIONAL BANK
 GLENDALE, CALIFORNIA
Peter L. Ferry



PETER L. FERRY
 GENERAL CONTRACTOR
 No. 7103
 GLENDALE, CALIF.
 March 28 1928
 ***130 AND 44 CTS
 DOLLARS
 NATIONAL BANK
 GLENDALE, CALIF.
Peter L. Ferry

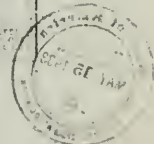
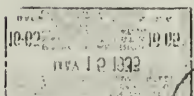


PETER L. FERRY
 GENERAL CONTRACTOR
 No. 10376
 GLENDALE, CALIF.
 April 2 1928
 ***130 AND 44 CTS
 DOLLARS
 NATIONAL BANK
 GLENDALE, CALIF.
Peter L. Ferry

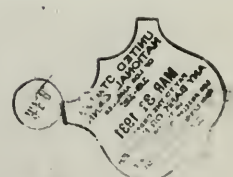


RECEIVED
 APR 2 1928
 DIVISION OF INVESTIGATION
 U.S. DEPT. OF JUSTICE

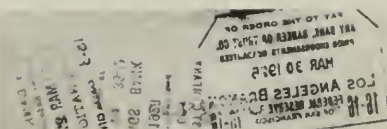
HEAD OFFICE
 California Bank
 10-20
 Los Angeles Cal. April 20 1928
 \$130.44
 Dollars
 National Bank
 Los Angeles
Peter L. Ferry



PETER L. FERRY
 GENERAL CONTRACTOR
 No. 5528
 GLENDALE CALIFORNIA
 April 11 1928
 ***130 AND 44 CTS
 DOLLARS
 NATIONAL BANK
 GLENDALE, CALIFORNIA
Peter L. Ferry



No. 4761
 GLENDALE CALIFORNIA
 April 15 1928
 \$130.44
 Dollars
 National Bank
 GLENDALE, CALIFORNIA
Peter L. Ferry



[PLAINTIFF'S EXHIBIT NO. 59]

[Crest]

Office of

Internal Revenue Agent in Charge

Los Angeles Division

TREASURY DEPARTMENT

Internal Revenue Service

939 South Broadway

Los Angeles, Calif.

January 25th, 1937

MT-ET

District 6th., Cal.

Estate of Peter Ferry

Date of death June 16th., 1935

Freston & Files, Attorneys for the Executrix,

Bank of America Building

Los Angeles, Cal.

Sirs:

My investigation and audit in the above named estate results in recommendations to the Bureau as follows:

Changes only in form 706 return are as follows:

Schedule C-2 Life Insurance.

Total	\$160,071.24	\$292,632.72
-------	--------------	--------------

Any community interest of the surviving spouse is not an allowable deduction. Jas Newman decision case 29 B.T.A. page 53.

Total insurance.....	\$331,632.72
----------------------	--------------

Less	\$ 40,000.00
------------	--------------

Taxable insurance	\$292,632.72
-------------------	--------------

(Plaintiff's Exhibit No. 59)

Schedule D-1. Jointly owned

property	\$ 6,233.33	\$ 8,549.27
Item 1. Cash in bank	3,140.70	3,460.70
Verified in the sum of \$3,460.70 at said Bank on date of de- cedents death.		
Item 3.	14.29	28.59
Recommended in the full amount of cash in this account, same being decedents own moneys.		
Items 7 & 8.	175.13	348.27
Recommended for same reasons as for Item 3 above.		
Item 11.	100.00	1,225.00
Sales at 35 is recom- mended. Contribution was all by decedent.		
Item 14.	262.50	945.00
Pledger & Co. L.A. mean of Bid and Asked of $2\frac{1}{4}$ is recommended. Contribution was all by decedent.		
Item 16. No market value apart from R.E.	\$ 50.00	Nil

(Plaintiff's Exhibit No. 59)

Schedule D-2	Total	\$ 1,625.00	\$ 5,155.00
--------------	-------	-------------	-------------

Item not returned of
Furniture and Furnish-
ings in decedents home
at 3030 Chevy Chase,
Glendale, appraised at
\$3,530.00 is added to
this schedule.

Schedule E.	Total	None.	\$610,837.45
-------------	-------	-------	--------------

The six trusts are recommended as taxable transfers.

Trust No.

#2012	Citizens Nat'l Tr. & Sav. Bk.	\$ 82,289.16
-------	-------------------------------	--------------

Only difference from Leslie's re-
port is that all interest accrued is
recommended taxable. Item 18 in
said trust as to interest is corrected
to read \$48.11 instead of \$46.96

#6204.	Citizens Nat'l Tr. & Sav. Bk.	\$195,850.37
--------	-------------------------------	--------------

Total gross value of trust

assets	\$199,225.00 (Leslie's value)
--------	-------------------------------

Less taxes a lien at date

of death	3,374.63
----------	----------

Net assets	\$195,850.37
------------	--------------

#4358.	Sec-1st., Nat'l Tr. & Sav. Bk.	\$ 95,182.02
	(Leslie's value.)	

Total gross assets.	\$ 95,225.86
---------------------	--------------

Less taxes a lien.....	43.84
------------------------	-------

Net assets	\$ 95,182.02
------------	--------------

(Plaintiff's Exhibit No. 59)

#S-5869 Do. \$108,363.36

Leslie's total was \$107,254.91 Rec.

Item 1. 9,775.00

Hartley Rogers & Co., Bid of 85

Item 2. 3,288.75

N.Y.S.Ex. sales at 117-3/8 is rec.

Item 6. 5,356.25

N.Y.Curb mean of sales T 107-1/8

Item 11. 2,102.50

N.Y.Curb mean of sales at 105-1/8

Item 12. 3,097.20

N.Y.S.Ex. mean of sales at 103.24

#S-1080. Title Guarantee Tr.

Co. \$ 2,547.74

Total Trust assets \$26,950.00

Decedents interest 1/10 2,695.00

Less taxes a lien....1/10/ 147.26

Net assets 2,547.74

#P-1050 Title Guarantee &

Trust Co. \$126,604.80

Total value of trust assets \$126,628.85

Less taxes a lien..... 24.05

Net value \$126,604.80

(Plaintiff's Exhibit No. 59)

Deductions.....	Total	\$ 14,126.18	\$ 9,909.60
-----------------	-------	--------------	-------------

Recommended allowable only to the extent of the value of the gross estate Probated.

Ruling of General Council in the Max Fertig estate, 11/19/34. Re—Est. John C. Bullock

Credit for State Inheritance Taxes paid is disallowed temporarily until proof is filed.

Copy of Form 722 is enclosed.

A waiver form showing a deficiency tax of \$131,195.69 is enclosed and it is requested that the Executrix sign it and return to this office.

Respectfully,

Nat H. Eddy

Internal Revenue Agent.

[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Plf. Exhibit No. 59 for ident., later in evid. Filed 6/3, 1943. By Cross, Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 61]

Metropolitan Life

MEMORANDUM

To: W. Partridge, Claim Division
 From: C. J. Stahl, Ordinary Audit
 Subject: Policy 1032329-A—Peter L. Ferry

On policy 1032329-A the following premiums less dividends were paid:

<u>Due Date</u>	<u>Amount of Premium</u>	<u>Date of Payment</u>	<u>Amount of Dividend</u>
May 28, 1915	\$ 66.10	May 29, 1915	—
November 28, 1915	66.10	November 6, 1915	—
May 28, 1916	66.10	May 13, 1916	—
November 28, 1916	66.10	October 28, 1916	—
May 28, 1917	66.10	May 5, 1917	—
November 28, 1917	66.10	November 24, 1917	—
May 28, 1918	66.10	May 4, 1918	—
November 28, 1918	66.10	October 24, 1918	—
May 28, 1919	66.10	May 3, 1919	—
November 28, 1919	66.10	November 1, 1919	—
May 28, 1920	66.10	April 24, 1920	—
November 28, 1920	66.10	December 11, 1920	—
May 28, 1921	66.10	May 14, 1921	—
November 28, 1921	66.10	November 26, 1921	—
May 28, 1922	66.10	May 13, 1922	3.74
November 28, 1922	66.10	November 25, 1922	—
May 28, 1923	66.10	April 28, 1923	4.54
November 28, 1923	66.10	October 27, 1923	—
May 28, 1924	66.10	April 26, 1924	9.70
November 28, 1924	66.10	November 1, 1924	—
May 28, 1925	66.10	May 16, 1925	24.00
November 28, 1925	66.10	October 31, 1925	—

(Plaintiff's Exhibit No. 61)

<u>Due Date</u>	<u>Amount of Premium</u>	<u>Date of Payment</u>	<u>Amount of Dividend</u>
May 28, 1926	66.10	May 1, 1926	28.47
November 28, 1926	66.10	November 27, 1926	—
May 28, 1927	66.10	May 7, 1927	31.85
November 28, 1927	66.10	December 3, 1927	—
May 28, 1928	66.10	May 5, 1928	33.45
November 28, 1928	66.10	November 24, 1928	—
May 28, 1929	66.10	April 20, 1929	35.17
November 28, 1929	66.10	October 12, 1929	—
May 28, 1930	66.10	April 19, 1930	40.51
November 28, 1930	66.10	November 8, 1930	—
May 28, 1931	66.10	April 18, 1931	35.59
November 28, 1931	66.10	January 2, 1932	—
May 28, 1932	66.10	April 30, 1932	40.50
November 28, 1932	66.10	December 24, 1932	—
May 28, 1933	66.10	May 20, 1933	37.80
November 28, 1933	66.10	November 25, 1933	—
May 28, 1934	66.10	April 28, 1934	39.09
November 28, 1934	66.10	November 17, 1934	—
May 28, 1935	66.10	June 8, 1935	39.09
Total	2,710.10		403.50

When Claim was paid premium refund of \$55.08 was allowed and a dividend of \$3.37 was paid.

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Plf. Exhibit No. 61 in evid. Filed 6/8-1943. By Cross, Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 62]

Metropolitan Life

MEMORANDUM

To: W. Partridge, Claim Division

From: C. J. Stahl, Ordinary Audit

Subject: Policy 1032491-A—Peter L. Ferry

On policy 1032491-A the following premiums less dividends were paid:

<u>Due Date</u>	<u>Amount of Premium</u>	<u>Date of Payment</u>	<u>Amount of Dividend</u>
May 28, 1915	\$ 64.62	June 12, 1915	—
November 28, 1915	64.62	November 6, 1915	—
May 28, 1916	64.62	May 13, 1916	—
November 28, 1916	64.62	October 28, 1916	—
May 28, 1917	64.62	May 5, 1917	—
November 28, 1917	64.62	November 24, 1917	—
May 28, 1918	64.62	May 4, 1918	—
November 28, 1918	64.62	October 24, 1918	—
May 28, 1919	64.62	May 3, 1919	—
November 28, 1919	64.62	November 1, 1919	—
May 28, 1920	64.62	April 24, 1920	—
November 28, 1920	64.62	November 13, 1920	—
May 28, 1921	64.62	May 14, 1921	—
November 28, 1921	64.62	November 26, 1921	—
May 28, 1922	64.62	May 13, 1922	3.66
November 28, 1922	64.62	November 25, 1922	—
May 28, 1923	64.62	April 28, 1923	4.44
November 28, 1923	64.62	October 27, 1923	—
May 28, 1924	64.62	April 26, 1924	9.48
November 28, 1924	64.62	November 1, 1924	—
May 28, 1925	64.62	May 2, 1925	23.46
November 28, 1925	64.62	October 31, 1925	—

(Plaintiff's Exhibit No. 62)

<u>Due Date</u>	<u>Amount of Premium</u>	<u>Date of Payment</u>	<u>Amount of Dividend</u>
May 28, 1926	64.62	May 1, 1926	24.84
November 28, 1926	64.62	November 27, 1926	—
May 28, 1927	64.62	May 7, 1927	31.14
November 28, 1927	64.62	December 3, 1927	—
May 28, 1928	64.62	May 5, 1928	32.70
November 28, 1928	64.62	November 24, 1928	—
May 28, 1929	64.62	April 20, 1929	34.38
November 28, 1929	64.62	October 12, 1929	—
May 28, 1930	64.62	April 19, 1930	36.24
November 28, 1930	64.62	November 8, 1930	—
May 28, 1931	64.62	April 18, 1931	38.16
November 28, 1931	64.62	January 2, 1932	—
May 28, 1932	64.62	April 30, 1932	39.60
November 28, 1932	64.62	December 24, 1932	—
May 28, 1933	64.62	May 20, 1933	36.96
November 28, 1933	64.62	November 25, 1933	—
May 28, 1934	64.62	April 28, 1934	38.22
November 28, 1934	64.62	November 17, 1934	—
May 28, 1935	64.62	June 8, 1935	38.22
Total	2,649.42		391.50

When Claim was paid premium refund of \$53.85 was allowed and a dividend of \$3.29 was paid.

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Plf. Exhibit No. 62 in evid. Filed 6/8-1943. By Cross, Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 63]

DISTRIBUTIONS OF INCOME FROM
TRUST #1052

TITLE GUARANTEE & TRUST COMPANY

1925		August 1	500.00
March 18	\$ 3,576.45	August 31	500.00
1926		October 1	500.00
April 21	261.46	November 1	500.00
June 16	247.26	December 3	500.00
August 21	3,359.90	December 31	500.00
November 19	465.71	1929	
1927		February 1	500.00
March 2	446.50	March 1	500.00
March 9	500.00	April 1	500.00
April 1	500.00	May 1	500.00
May 2	500.00	June 1	500.00
June 1	500.00	July 1	500.00
July 1	500.00	August 1	500.00
July 30	500.00	September 3	500.00
August 30	500.00	October 1	4,500.00
October 1	500.00	November 1	500.00
November 1	500.00	December 2	500.00
November 28	2,500.00	December 31	500.00
December 1	500.00	1930	
December 21	500.00	January 1	500.00
1928		February 1	500.00
February 1	500.00	March 1	500.00
March 1	500.00	April 1	500.00
April 2	500.00	April 25	500.00
May 2	500.00	May 29	500.00
June 1	500.00	July 1	500.00
June 30	500.00	August 1	500.00

(Plaintiff's Exhibit No. 63)

August 29	500.00	December 30	500.00
October 1	500.00	1933	
November 1	500.00	January 31	500.00
December 1	500.00	February 28	500.00
1931		March 31	500.00
January 2	\$ 500.00	April 28	500.00
January 28	500.00	May 30	500.00
February 27	500.00	June 30	500.00
March 31	500.00	August 1	500.00
May 1	500.00	August 30	500.00
June 1	500.00	September 28	500.00
July 1	500.00	November 1	500.00
August 1	500.00	December 1	500.00
August 28	500.00	December 2	5,000.00
September 29	500.00	December 11	2,000.00
October 30	500.00	December 30	500.00
November 30	500.00	1934	
December 30	500.00	January 31,	500.00
1932		February 28	500.00
January 29	500.00	March 31	500.00
February 29	500.00	April 19	1,700.00
March 30	500.00	April 30	500.00
May 2	500.00	June 1	500.00
May 31	500.00	June 29	500.00
June 30	500.00	August 1	500.00
August 1	500.00	August 30	500.00
August 31	500.00	September 29	500.00
September 30	500.00	November 1	500.00
November 1	500.00	December 1	500.00
November 30	500.00	December 31	500.00

(Plaintiff's Exhibit No. 63)

1935

1935—Cont'd.

January 29	500.00	April 30	\$ 500.00
February 27	500.00	May 28	500.00

Died 6/16/35 \$73 110.78

Balance Income on Hand Available for

Distribution on 6/16/35 \$ 1,749.56

[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Plf. Exhibit No. 63. Filed 6/8, 1943. By Cross, Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 64]

A.M.J.

June 8, 1943

Summary of Interest, Accrued Interest, and Income Cash
on Hand in the Various Trusts,
Peter L. Ferry Estate

Trust No.	Held by	Bond Interest Accrued	Accrued Interest on Notes	Income Cash on Hand
		6/16/35	6/16/35	6/16/35
Trust S-5869	Security-First	459.02	438 41	88 54
" 1080	Title Guarantee & Trust	.....	.....	.....
" 6204	Citizens Nat.	.....	.....	.....
" S.S.-4358	Security-First	475 88	807 78	.....
" 2012	Citizens Nat.	111 93	380 56	46 02
" P-1052	Title Guarantee & Trust		878 72	1 749 56

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Exhibit No. 64 in evid. Filed 6/8, 1943. By Cross, Deputy Clerk.

[PLAINTIFF'S EXHIBIT NO. 65.]

[Title of District Court and Cause.]

DEFENDANT'S PRE-TRIAL BRIEF FOR JUDGE
O'CONNOR

This is an action to recover a refund of estate taxes. The ultimate questions are whether the Commissioner erred in determining

1st, that the full value of the assets of five revocable trusts created in decedent's lifetime was includible in his gross estate,

2d, that the transfer by decedent of a 1/20 undivided beneficial interest in a trust, made by him to his son a week or two before his death, was so includible, and

3d, that the total proceeds of 20 or 21 insurance policies on the life of decedent were so includible.

Plaintiff contends that the value of one-half of each type of property was erroneously included.

The determination of these three ultimate questions depends upon the Court's answers to other questions of both law and fact.

I.

FIVE REVOCABLE TRUSTS

Four of the five trusts were created by decedent in 1925, his wife joining in the approval of each trust declaration. Mr. Ferry died in 1935. The fifth trust was created in 1930, the same mechanics being employed. Decedent, his wife and/or children were made beneficiaries of the income, if any, of the trusts and decedent retained for life the right, in conjunction with his wife or other beneficiary

(Plaintiff's Exhibit No. 65)

to revoke, alter, amend, change beneficiaries, their shares, etc.

The Government contends that the Commissioner correctly included the value of 100% of the assets in the gross estate under Sections 302(c) and (d) of the Revenue Act, since the properties placed in trust were owned by decedent, being either his separate or old-type community property, and were revocably transferred to the trust by him without a money's worth consideration.

The pertinent portions of Sections 302(c) and (d) of the applicable Act read as follows:

"SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—
* * *

"(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for an adequate and full consideration in money or money's worth. . . .

"(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, . . ."

(Plaintiff's Exhibit No. 65)

Before the Commissioner, plaintiff contended that for tax purposes on undivided half of the properties placed in the trusts was originally owned by her, but never presented to the Commissioner sufficient evidence to establish such fact. What evidence plaintiff will produce at the trial to support such factual contention is at this time unknown to the defendant.

In respect of one of these five trusts, No. 6204, the evidence may show that before its creation an undivided half of certain parcels of decedent's real property was given to his wife by the device of transforming the parcels into joint tenancy property, whereby he intentionally retained a possibility of reverter contingent upon his survivorship [*Helvering v. Hallock*, 309 U. S. 106 (1940)]. In such event, the gift was not then complete because "possession and enjoyment" were retained by the donor within the meaning of Section 302(c) (*Helvering v. Hallock*, *supra*), as well as within the express provisions of Sec. 302(e).

The applicable portions of Sec. 302(e) read as follows:

"SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

* * *

"(e) To the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the

(Plaintiff's Exhibit No. 65)

banking business, in their joint names and payable to either or the survivor, except that part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than an adequate and full consideration in money or money's worth:"

It will be noted that by the broad provisions of Secs. 302(c), (d) and (e) Congress has endeavored to prevent the avoidance of estate taxes through practically any and all conceivable "incompleted" gift devices, plugging one loophole after another.

If, therefore, plaintiff establishes for the first time at the trial the existence of incomplete joint tenancy gifts to his wife, followed by incomplete, joint transfers of the same properties to a revocable trust, defendant's response will be twofold.

1st, regardless of the lifetime juggling of titles, tenancies and estates, decedent's gift to his wife of undivided half interests in these parcels of property were never complete until the moment of his death, and their value is, therefore, includible within the meaning of Sec. 302, particularly Secs. (c), (d) and (e) thereof.

2d, in the alternative, the joint tenure was not terminated when the properties were placed in the revocable trust, but continued until the moment of decedent's death. The properties fall, therefore, within the express provisions of Sec. 302(e). [Hornor v. Comm'r., 130 F. (2d) 649 (3d Cir.—Aug. 21, 1942), Aff'g 44 B. T. A. 1136, No. 175.]

(Plaintiff's Exhibit No. 65)

II.

THE SIXTH TRUST

The so-called Sixth Trust involves the question of whether a transfer was made by decedent to one of his sons of an undivided 1/20 beneficial interest in Subdivision Trust No. 1080, nineteen days before his death. If such transfer was made, there is a statutory presumption that it was in contemplation of death and the value thereof is includible in decedent's gross estate under Sec. 302(c), *supra*.

The value of this alleged gift is small. However, plaintiff will, no doubt, endeavor at the trial (1st) to establish the transfer, and (2d) to overcome such statutory presumption. The nature of the evidence that plaintiff will offer is now unknown to defendant.

III.

LIFE INSURANCE POLICIES

The proceeds of decedent's 20 or 21 life insurance contracts (payable to beneficiaries other than his estate) were substantial. We believe the evidence will show that they were entered into from time to time over a period of 20 to 30 years prior to his death, and that by the terms thereof decedent personally retained until his death the following exclusive rights, powers and benefits, among others, to wit:—

- 1st. To sell, assign and pledge said policies and surrender them for cash, all for his own personal and exclusive benefit.
- 2d. To collect and appropriate to his own personal and exclusive use and benefit the interest and dividends accruing thereunder.

(Plaintiff's Exhibit No. 65)

- 3d. To change the beneficiaries thereunder, and
- 4th. To possession, to enjoyment and to a possible reverter of all contractual benefits thereunder contingent upon his survivorship of the named beneficiaries.

The full proceeds of these policies in excess of \$40,000 were included by the Commissioner in decedent's gross estate. Defendant contends that it was error to include more than one-half of such excess on the theory that half the premiums were paid by the surviving wife with her money. This latter contention (that she paid half of the premiums) is made by plaintiff in an endeavor to bring this case within the rule announced and applied in *Lang v. Comm'r.*, 304 U. S. 264 (1938). There the premiums were paid with community funds of the Washington State type and the Supreme Court held that the proportion of the policy proceeds attributable to the Washington wife's community half of the premiums was not includible in the husband's gross estate under Sec. 302(g) of the Act. This Section reads as follows:

"SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated— . . .

"(g) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over \$40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life. . . ."

(Plaintiff's Exhibit No. 65)

Having the 1938 Supreme Court Lang case rule in mind, the Bureau gave plaintiff over 20 months (from February 9, 1939, to October 18, 1940) to present, in support of her refund claim, any evidence that might establish such premium ownership in the wife. During this 20-month period plaintiff was either unable or failed to submit evidence establishing that such premiums were paid with new-type (earned by either spouse after July 29, 1927) California community funds or with funds owned separately by her. Whether she will do so or be able to do so at the trial remains to be seen. Not knowing what evidence, if any, will be offered, it is impossible at this point to discuss its weight or sufficiency.

Defendant contends that the Commissioner did not err in including 100% of such excess proceeds in decedent's gross estate, and relies upon Secs. 302(c), (d) and (g) of the Act.

Respectfully submitted,

LEO V. SILVERSTEIN,

United States Attorney.

E. H. MITCHELL,

Assistant United States Attorney.

By E. H. MITCHELL

Attorneys for Defendant.

[Endorsed]: Filed Apr. 1, 1943. Edmund L. Smith, Clerk, by Francis E. Cross, deputy clerk.

[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Plf. Exhibit No. 65 in evid. Filed 6/8, 1943. By Cross, Deputy Clerk.

[Title of District Court.]

United States of America,

Southern District of California—ss.

I, Edmund L. Smith, Clerk of the United States District Court for the Southern District of California, do hereby certify that the foregoing is a full, true, and correct copy of Plaintiff's Exhibits 1, 2, 3, 4, 5, 6, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26-A, 26-B, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42, 43, 44, 46, 47, 59, 61, 62, 63, 64, and 65, received in evidence on the trial of Case No. 2106-O'C Civil, Catherine B. Ferry, as Executrix of the Last Will and Testament of Peter Ferry, deceased, Plaintiff, vs. Ethel Strickland Rogan, as Executrix of the Estate of Nat Rogan, Collector of Internal Revenue for the Sixth District of California, deceased, Defendant, as the same appears from the original record remaining in my office.

Witness my hand and the seal of said Court, this 11th day of December, A. D. 1944.

(Seal)

EDMUND L. SMITH

Clerk,

By R. B. CLIFTON,

Deputy Clerk

[DEFENDANT'S EXHIBIT B]

Treasury Department
Internal Revenue Service
Twelfth floor, U. S. Post Office
and Courthouse
Los Angeles, Calif.
February 20, 1940.

Office of
Internal Revenue Agent in Charge
Los Angeles Division
MT:ET
District of 6th California
Estate of Peter Ferry
Date of death: June 16, 1935

Catherine B. Ferry, Executrix
c/o Claude I. Parker,
808 Bank of America Building,
Los Angeles, California.

Madam:

The examination by this office of the estate tax return of the above named estate, in connection with your claim for refund of \$63,825.77 indicates that the adjustment of tax liability shown in the accompanying statement is warranted.

If You Agree to the adjustment shown in the accompanying statement, the enclosed form of waiver should be executed and forwarded to this office promptly, in order to permit the early assessment of the deficiency in tax and to stop the accumulation of interest. Such interest will cease thirty days after the receipt of the executed

(Defendant's Exhibit B)

form, or upon the payment of the deficiency in tax to the Collector, whichever occurs first.

If you desire to make immediate payment of the deficiency in tax without awaiting assessment, you should forward your remittance to the Collector of Internal Revenue at Los Angeles, California, enclosing this letter, or a copy thereof. Interest on the deficiency in tax should be included in your remittance, computed at the rate of six per cent per annum from the due date of the tax to the date of payment.

If You Do Not Agree to the proposed adjustment, you may file a protest, executed in triplicate under oath, with this office, within thirty days from the date of this letter, stating the grounds for your exceptions. Any protest so filed will have careful consideration and, if you so request, an opportunity for a hearing in this office will be granted you prior to final determination of any deficiency against the estate. This letter is not a final notice of deficiency nor of disallowance of your claim, and this office will be pleased to answer any questions which may occur to you in your examination of the enclosed statement.

Should you fail to pay the deficiency in tax to the collector of internal revenue or to file with this office within the thirty-day period mentioned either a waiver on the enclosed form or a written protest, final determination of your tax liability will be made and a notice of deficiency will be sent you in accordance with the provisions of law applicable to the assessment and collection of estate tax deficiencies, and the disallowance of your claim will be recommended.

(Defendant's Exhibit B)

Your prompt acknowledgment of the receipt of this letter and related papers upon the enclosed form will be much appreciated.

Respectfully,

George D. Martin

Internal Revenue Agent in Charge

Enclosures:

Statement.

Form of waiver.

Form of acknowledgment.

MT:ET

District of 6th California

Estate of Peter Ferry

Date of death: June 16, 1935

STATEMENT

Since no evidence has been furnished which would definitely establish the claim for deduction for community property, the following determination is proposed:

	<u>Prior Determination</u>	<u>Proposed Determination</u>
Gross estate,	\$931,863.04	\$931,863.04
Deductions, 1926 Act,	109,909.60	109,909.60
Net estate, 1926 Act,	821,953.44	821,953.44
Net estate, 1935 Act,	871,953.44	871,953.44
Gross tax, 1926 Act,		36,036.74
Credit for estate and inheritance taxes,		27,980.46
Net tax, 1926 Act,		8,056.28

(Defendant's Exhibit B)

Total taxes, 1926 and 1935 Acts,	149,588.36
Gross tax, 1926 Act,	36,036.74
	<hr/>
Net additional tax,	113,551.62
Net tax, 1926 Act,	8,056.28
	<hr/>
Total net tax,	121,607.90
Total tax assessed and paid,	120,758.97
	<hr/>
Deficiency,	848.93

CREDIT

Credit for State estate, inheritance, legacy or succession taxes is allowed in the amount of \$27,980.46. This is the total amount in respect to which the evidence required under Article 9 of Regulations 80 has been submitted. Kindly advise when the additional evidence, if any, may be expected.

If the full eighty per cent credit is allowed, it will eliminate any deficiency from this estate which is due entirely to the tentative disallowance of \$848.93, the amount for which evidence of payment may be furnished.

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Deft's Exhibit B in evid. Filed 6/8, 1943. Cross, Deputy Clerk.

[GOVERNMENT'S EXHIBIT C]

WILL

I, Peter L. Ferry, being of sound and disposing mind and memory, and not acting under duress, menace, fraud or undue influence of any person whatever, do hereby make, publish and declare my Last Will and Testament in the manner following, to wit:

First: I hereby revoke all former Wills by me made.

Second: I declare that all property now owned or possessed by me is community property of myself and my wife, Catherine B. Ferry, and I hereby give, devise and bequeath to my said wife, Catherine B. Ferry, all property subject to my power of testamentary disposition, whether real, personal or whatsoever character the same may be.

Third: I hereby declare that I am and my said wife, Catherine B. Ferry, have the following children: Mary Alice, James Leo, Peter Leo, Catherine Helen, John Melvin, William Francis and Patrick Robert. To each of them I bequeath Ten Dollars (\$10.00), as there has been made ample provision for each in certain trust funds created. I have full trust and faith and confidence that my said wife, Catherine B. Ferry, will in all respects fully care for and protect the interests of said children.

Fourth: In the event that my said wife fails to survive me, then I give, devise and bequeath everything of which I die possessed to Security-First National Bank of Los Angeles, as Trustee under its Declaration of Trust No. 5828, to be held, managed and disposed of according to the provisions of said Declaration of Trust.

(Government's Exhibit C)

Fifth: I hereby appoint my wife, Catherine B. Ferry, as the Executrix of this Will, to serve as such without bond, and in the event of her failure or inability to act then the Security-First National Bank of Los Angeles, a national banking association with its principal place of business in Los Angeles, California, as the Executor of this Will, and I confer upon her or it full power and authority as such Executrix or Executor to sell and dispose of any and all of the property of my estate in such manner and upon such terms as she or it may deem best without obtaining any order of court therefor.

In Witness Whereof, I have hereunto set my hand and seal this 10th day of May, 1930.

Peter L. Ferry

The foregoing instrument, consisting of two pages including the page signed by the Testator, was, on the date thereof, by the said Peter L. Ferry, subscribed, published and declared to be his Last Will and Testament, in the presence of us, who, at his request and in his presence and in the presence of each other, have signed the same as witnesses thereto.

Fred H. Bushel Residing at 1847 Lake Str. (?)
Glendale

H. M. Ehrke Residing at Verdugo City, Cal.
R. F. 2734 Sycamore St.

.....Residing at.....

#151608

[Endorsed]: Filed Jul. 8, 1935. L. E. Lampton,
County Clerk; by P. E. Grey, Deputy.

(Government's Exhibit C)

Will admitted to probate this 31st day of July, 1935.
Attest : L. E. Lampton, County Clerk, by G. W. McDonald, Deputy.

The foregoing instrument is a correct copy of the original as the same appears of record. Attest: June 1st, 1936. L. E. Lampton, County Clerk and Clerk of the Superior Court in and for the County of Los Angeles, State of California. By G. F. Cooper, Deputy.

[Endorsed]: No. 2106 O'C. Ferry vs. Rogan. Gov. Exhibit No. C in evid. Filed June 4, 1943. By Cross, Deputy Clerk.

[DEFENDANT'S EXHIBIT D]

* * * * *

FIRST PAGE ESTATE TAX MAJOR REPORT

MT-ET 6th Calif. Los Angeles, Calif.,
Estate of: Peter Ferry,
Date of Death: June 16, 1935 January 25, 1937.
Deficiency Tax Recommended: \$131,195.69
Internal Revenue Agent in Charge,
Los Angeles, California.

Having completed my investigation of the return, Form 706, for the estate named above, as directed by your letter dated December 1, 1936, I herewith submit the following report:

Executor: Catherine B. Ferry,
c/o of Attorney.

Attorney: Freston & Files,
Bank of America Building,
Los Angeles, California.

(Defendant's Exhibit D)

Forms 704 and 706 used and returned. Form 722 enclosed.
Inheritance Tax Proof requested.

Waiver requested.

Exhibits attached: A, B, C & D.

DETAILS OF MY REPORT FOLLOW:

The return agrees with the inventory filed for probate, except as noted, and the values fixed on the items in the various trusts, attached to form 706 are those fixed by the State Inheritance Tax Appraiser appointed by the Court.

Total gross estate probated was \$9,909.60.

This case has been delayed in reporting due to the fact that the attorney for the estate postponed taking up the case until after the holidays.

The major portion of decedents wealth was transferred in trusts in 1925 and 1930, reserving to himself a portion of the income for life. Copies of all trust agreements are attached to form 706 and are summarized under Schedule E, but are claimed in the return as not taxable.

It is claimed in the return, under Schedule "E", page 3, (rider) that the interest retained by Catherine B. Ferry in said trusts was not transferred to her by decedent but represents the community property acquired by decedent and Catherine B. Ferry since their marriage. This claim is not tenable under the present ruling of the Bureau because said property was acquired by the decedent prior to July 29, 1927 and is therefore not community property vested in the wife.

Decedent was a paving contractor and made his money from that source.

(Defendant's Exhibit D)

SCHEDULE "A"

Total	\$675.00	\$675.00
Items 1 and 2.	400.00	400.00

Valued in probate at \$225.00 for the two parcels by Inheritance Tax Appraiser.

These two parcels of land consist of small unimproved property and fully returned here. Verified from the valuation of adjacent property in Trust 6204.

Items 3 and 4.	275.00	275.00
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These two parcels comprising 80 acres in Phelps County, Mo. are believed to be fully valued. Returned and recommended at the assessed value.

Estate of Peter Ferry

SCHEDULE "B"

Total	\$7,932.24	\$7,936.24
Items 1 to 29, incl.	4,822.49	4,822.49

These are street bonds and are returned and recommended at their full face value plus accrued interest which is the maximum value according to Trompeter & Company, street bond dealers. The security back of these bonds was owned by decedent in trusts.

Item 30.	125.00	125.00
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Officials of the Company report a nominal value of \$1.00 which value is recommended.

Items 31 and 32.	1,154.75	1,154.75
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Valued by the Bureau as returned.

(Defendant's Exhibit D)

Item 33.	Nil	Nil
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Corporation is defunct. Reported of no value in various estates.

Item 34.	580.00	584.00
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Valued at \$2.00 by Secretary of the Club, and is recommended. Par value \$10.00.

Item 35.	1,250.00	1,250.00
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Number of shares should read 100. Sales at 10 to 14 in 1935. Manager of said bank stated that 12½ was a high average. Recommended as returned at 12½.

SCHEDULE "C-1"

Total	127.36	127.36
Item 1.	127.36	127.36

This cash is correctly returned as verified from the records of said bank. Returned in probate.

Estate of Peter Ferry

Schedule "C-1" (Cont'd.)

Items 2 to 11 incl.	Nil	Nil
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Mr. James L. Ferry, eldest son of decedent advised me that soon after his father's death he made every attempt to collect these notes but in every case found the makers financially not responsible and without assets and has abandoned any hope of every recovering a cent on them. Item 8, note of James V. Ferry for \$307.00. The maker is a brother of decedent and went through bankruptcy in 1935. The notes of Willard Marble for \$2,062.50 and \$275.60 were found impossible to collect. Said Marble is a Promoter without financial responsibility and to bring suit would be throwing away good money in the opinion

(Defendant's Exhibit D)

of Mr. Ferry and the attorney for the estate. All are recommended at nil.

SCHEDULE "C-2"

Total	\$260,071.24	\$292,632.72
Items 1 to 20, incl.	260,071.24	291,632.72

Attached to form 706 are the forms 712 for each policy showing the full sum payable under each policy as extended and totals

	\$300,071.24	\$331,632.72
Less	40,000.00	40,000.00
	<hr/>	<hr/>
	260,071.24	291,632.72

The executor has erroneously deducted a community interest of Catherine B. Ferry, which is recommended not allowable under 29 B.T.A. page 53 decision in Jas. Newman.

Insurance not returned Nil \$ 1,000.00
See attached to form 706 form 712.

Knights of Columbus-Policy #21434 Face Value
\$1,000.00

Catherine B. Ferry, beneficiary.
Estate of Peter Ferry

SCHEDULE "D-1" (Joint tenancy)

Total	\$6,233.33	\$8,549.27
Item 1.	3,140.70	3,460.70

This was a joint account decedent with his son James L. Ferry and the correct balance of June 16, 1935 was \$3,460.70 as recommended. Mr. James L. Ferry claimed

(Defendant's Exhibit D)

that this account was a continuation of decedent's old business account and he was made a joint tenant on January 19, 1934, which is the fact, he however was unable to show a contribution to this account from sources not coming from the decedent.

By a written agreement signed by Peter L. Ferry, Catherine B. Ferry and James L. Ferry, dated September 29, 1931, decedent sold his business and road equipment to said James L. Ferry for \$10,000.00. A copy of said agreement is attached marked Exhibit "A". Across the original was written at the bottom, "Paid in full, Jan. 1, 1933" and signed Peter Ferry.

It appears that decedent turned over said road equipment to his son and allowed him to pay for it out of rental income. Decedent helped his son in said rental business but no contracts for road or other construction was taken after the son took over the business. James L. Ferry stated that decedent spent most of his time on the ranch in Fresno County after 1929. The son has continued the equipment rental business and according to his appraisal the equipment sold to him by decedent would be junk at time of decedent's death.

Item 2.	\$1,500.00	\$1,500.00
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This was a joint savings account, decedent with F. C. Diener, (a son-in-law) Ranch account. Correctly returned at verified from said banks records. Contribution of all said funds admitted as the moneys of the decedent, and the full amount is recommended taxable.

Item 3.	\$ 14.29	\$ 28.59
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The stated bank records show this to be a joint account decedent and his wife and the balance was \$28.59 on date

(Defendant's Exhibit D)

of decedents death. All of said account was contributed by the decedent and is recommended taxable.

Estate of Peter Ferry

Schedule "D-1" (Cont'd.)

Item 4.	\$ 235.68	\$ 235.68
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The stated bank records show this account to be a joint account, decedent, his wife and on 7/12/34 the name of Mary Alice Diener (decedent's daughter) was added. Balance at date of death was \$235.68. All of said account was contributed by the decedent and is recommended as taxable.

Items 5 and 6.	\$ 806.03	\$ 806.03
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These two accounts were joint with F. C. Diener and are correctly returned as verified from records in the hands of the Inheritance Tax Appraiser. All of said account was contributed by the decedent and is recommended taxable.

Items 7 and 8.	\$ 174.13	\$ 348.27
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These two items are fully returned as fixed by the stated depository and corporation title was joint, decedent and wife, and all money was contributed by the decedent. Recommended as all taxable.

Items 9 and 10.	Nil	Nil
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Defunct and out of business years ago. Recommended of no value.

Item 11.	\$ 50.00	\$1,225.00
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Sales reported by the Hospital officials at 35, and is recommended. Held jointly with wife. Contribution all by decedent.

(Defendant's Exhibit D)

Items 12 and 13.	\$ Nil	Nil
------------------	--------	-----

Out of business and no trace can be found of any assets. Recommended as of no value.

Item 14.	\$ 262.50	\$ 945.00
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Mean of B & A, Pledger & Company, L. A. of 2¼ is recommended. Held jointly by decedent and wife. Contribution all by the decedent and is all recommended as taxable.

Estate of Peter Ferry

Schedule "D-1" (Cont'd.)

Item 15.	Nil	Nil
----------	-----	-----

Estate of A. Burlingame Johnson, date of death 6/27/34 360 shares returned and recommended "No Value".

Item 16.	\$50.00	Nil
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Officials state this stock is appurtenant to the real property owned by the decedent and cannot be sold separately. Has no market value. Recommended at nil in prior estates and so recommended here. Said real estate is listed as Item 11 of Trust No. 6204, attached to Form 706.

SCHEDULE "D-2"

Total	\$1,625.00	\$5,155.00
Items 1 to 4, incl.	1,425.00	1,425.00

These automobiles are returned and recommended at their Blue Book value. Verified from probate records.

Item 5.	\$ 200.00	\$ 200.00
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These items of ranch equipment were appraised by State Inheritance Tax appraiser of Fresno County appointed by

(Defendant's Exhibit D)

the Court and is recommended. Said items are situated on the ranch described in Item 35 (1) of Trust No. 6204, *lage* page, attached to form 706.

Item not returned.

Furniture and furnishings
in decedent's home at 3030
N. Chevy Chase, Glendale,
California

Nil \$3,530.00

The home real estate is set up as Item 2 of Trust 6204 at a value of \$20,000.00.

I made up an inventory, retained in my notes and fixed a value on the furniture and furnishings of \$3,530.00. Said furniture etc., was of mixed quality, some of it quite old, and it included no items of special value. Decedent's widow made no claim to said furniture and is all recommended as taxable. It has not been appraised by the State Inheritance Tax appraiser up to this date nor included in the probated estate.

Estate of Peter Ferry

SCHEDULE "E"

Total Nil \$610,837.45

Attached to form 706 is a statement intended to explain certain transfers made by the decedent in 1925 when he with his wife created four trusts, in 1930, one trust, certain Bank stock to his son in 1934 and a certain interest in a trust in 1935.

The corpus of said trusts are alleged to, consist of the community property of decedent and his wife Catherine B. Ferry and said trusts were made as a settlement of her

(Defendant's Exhibit D)

community interest, and were not made in contemplation of death.

It is obvious that all of the property transferred in the 1925 trusts was acquired by the decedent prior to July 29, 1927 and no attempt has been made on the part of the estates representatives to show or prove that the property in the 1930 trust was community property, and the interest in the trust transferred in 1935 was created in joint tenancy (1/10th to decedent and wife) in 1925.

Mrs. Catherine B. Ferry stated to me that she never inherited any property or contributed any separate funds or property to any of the afore said trusts.

For the purpose of this tax it is therefore recommended that all of the transferred property was vested in decedent and is not recognized as community property.

First I will dispose of the gift of the 476 shares of common stock in the First National Bank at Glendale, a gift to Peter Leo Ferry, son of decedent, on December 8, 1934 as set forth on page 2, of rider under Schedule "E", of form 706.

It appears from the statements to me by Peter Leo Ferry, James L. Ferry and Catherine B. Ferry that this stock was given to the said Peter Leo Ferry, by the decedent, out of his block of stock in said bank in order to induce him to remain as an employee of said bank and not leave the bank as he intended to do. The stock was delivered in person to said son on the date named above and he at all times has had possession of it. The stock has never paid a dividend and was transferred of record in stock book of said bank at time of gift.

Said bank stock at time of gift was selling at \$10.00 per share according to Mr. McMahon the manager, and

(Defendant's Exhibit D)

the total value of the gift was \$4,760.00. Said bank was a new bank reorganized in 1934 from another bank which closed its doors in 1933.

Estate of Peter Ferry

Schedule "E" (Cont'd.)

Decedent was a director of this bank and retained 100 shares of its stock. See Item 35 of Schedule B. At date of decedent's death this stock was valued at \$12.50 per share or a total of \$5,950.00.

In my opinion the facts are correctly stated in form 706 as to the motive for this gift and in my opinion is sufficient rebuttal of the presumption of the Estate Act of 1932, Sec. 803, (c). The fact that the value of said gift was not a material part of decedent's estate, is another reason why I recommend this gift not taxable.

Attached to form 706 are two copies of inventories and values of the six trusts as set up from the trustees records, as verified by myself and Preston H. Leslie, State Inheritance Tax Appraiser. Certified copies of said trusts are also attached to form 706. Values of all six trusts assets as of date of decedent's death are recommended as follows: (Appraiser Leslie spent many weeks in his valuation work and is a most reliable appraiser.)

Following Leslie's Appraisal Report, trusts are numbered 1 to 6 and assets of each trust are given each numbered item.

1. Citiezn's National Trust & Savings Bank
of Los Angeles. Trust No. 2012

Not returned

\$82,289.16

(Defendant's Exhibit D)

Mr. Leslie's valuation is \$81,918.01. All sub-items 1 to 22 as numbered by me commencing with "cash" Item 1 are correctly described and the only difference in Mr. Leslie's total is the accrued interest shown in column one, on the notes, is not extended by him, and is included in my total, except as to sub-items 9, 16 and 17.

All items of notes, are recommended at their full face value plus accrued interest except Item 9, Harry G. McBain Corporation note of \$7,400.00 is recommended at \$1,000.00 and the accrued interest at nil. Mr. Miller trust officer stated that the said McBain Corporation is not financially responsible, that said note is a renewal of originals in 1925, and that the security is not worth in excess of \$1,000.00 that they would be glad to take \$1,000.00 for the note and all interest due. Sub-items 16 and 17 are recommended at \$1.00 each because the security is a second lien on property not worth the first mortgage.

Estate of Peter Ferry

Schedule "E" (Cont'd.)

Error in bond interest.

The bonds sub-items 18 to 22 were valued by Dulin & Company, Los Angeles, at market and are so recommended. An error in accrued interest in sub-item 18 is corrected to read \$48.11 instead of \$46.96.

Item 2. Citizens National Trust & Savings

Bank of Los Angeles, Trust #6204

No returned

\$195,850.37

This trust consists entirely of real estate, 38 parcels in all numbered 1 to 38 by me and the values as extended in

(Defendant's Exhibit D)

Mr. Leslie's appraisal are recommended without change, except taxes a lien are deducted in the sum of \$3,374.63 which were verified from paid tax bills.

I have inspected all parcels, of value over \$5,000.00, except the Fresno County parcels sub-items 35 and 36, and which are valued at \$80,000.00 and \$6,000.00 respectively. These two parcels were not inspected because they were appraised by Mr. Wakefield an expert appraiser of Fresno, appointed by the Court and are believed to be full value, and the further reason that the expense of a trip to Fresno, over 200 miles, appears not justified. Most of the property is located in Glendale and Los Angeles, and I consulted R. L. Anderson and L. H. Wilson, realtors and expert appraisers of Glendale as to the values of all items over \$5,000.00 and in no case did they fix a value in excess of the values fixed by Mr. Leslie, but were practically the same. I fully concur in Mr. Leslie's values and recommend their acceptance. Most of the property was unimproved and there were no accrued rents.

Total gross value of trust	\$199,225.00
Less taxes a lien 6/16/35	3,374.63
Net recommended	<hr/> \$195,850.37

3. Security First National Trust & Savings Bank. Trust No. SS-4358 & No. SS-4358-A Not returned. \$95,182.02

This trust consists of sub-items numbered 1 to 35 by me, and the values recommended are those fixed by Mr.

(Defendant's Exhibit D)

Leslie, on the basis of full market value plus accrued interest. All securities were appraised by Dulin & Company, Los Angeles reliable Bond Brokers, and after a careful check are recommended as extended.

Estate of Peter Ferry

Schedule "E" (Cont'd.)

The trust deed notes sub-items 19 to 31 inclusive are recommended in the full amount of principal balance plus accrued interest to date of death, except as to one note of Mary A. McCann, and no interest is recommended because of default and the trustees state the security not worth over the amount of principal due. All participating certificates are grouped as one sub-item 3-31 and underlying security foreclosed are grouped as sub-item 3-32; said three notes under sub-item 32 are recommended at the market value of the security taken in foreclosure on said notes.

Sub-Item 33 is cash on hand.

Sub-Items 34 and 35 are set up as the assets of Trust No. SS-4358-A which is not a separate trust but a supplemental account consisting of a piece of real estate foreclosed on, valued at \$1,900.00 and cash on hand of \$26.73.

Total value of this trust	\$95,225.86
Less taxes a lien 6/16/35	43.84

Net value recommended	\$95,182.02
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4. Security-First National Trust & Savings Bank. Trust No. S-5869 Not returned	\$108,363.36
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This trust was valued at a total of \$107,254.91 by Mr. Leslie. The difference being mainly due to the difference

(Defendant's Exhibit D)

in the valuation of Item 1, fixed by Dulin & Company, and records of this office's Stock and Bond Desk.

4 sub-1. \$9,775.00

accrued interest 28.75

Hartley Rogers & Co. L. A. 7/1/35 Bid
85, Ask Nil. Recommended at 85.

4 sub-2. \$3,288.75

accrued interest 25.00

N.Y.S. Ex. mean of sales @ 109 $\frac{5}{8}$ is
recommended.

Estate of Peter Ferry

Schedule "E" (Cont'd.)

4 sub-3. \$4,695.00

accrued interest 52.50

N.Y.S. Ex. sales at 117 $\frac{3}{8}$ is recommended.

4 sub-4, 5, 7 to 10, incl. \$15,253.42

Recommended as set forth in Leslie's report, as appraised by Dulin & Company, at the full market value, plus accrued interest.

4 sub-6. \$5,356.25

accrued interest 10.42

N.Y. Curb 6/22/35 mean of sales @ 107 $\frac{1}{8}$ is recommended

4 sub-11. \$2,102.50

accrued interest 45.84

N.Y. Curb, week end 6/22/35 mean of sales at 105 $\frac{1}{8}$ is recommended.

4 sub-12. \$3,097.20

accrued interest 22.75

(Defendant's Exhibit D)

N.Y.S. Ex. mean of sales @ 103.24 is recommended.

4 sub-13 to 21 incl. \$64,609.98

All these remaining items were valued by Dulin & Company and are recommended as set forth in Leslie's appraisal.

5. Title Guarantee and Trust Co. Trust No.

S-1080 a 1/10th, interest Not returned \$2,547.74

This trust corpus consists of a 1/10th, interest in certain lots and acreage in Glendale, appraised at \$2,695.00 by Mr. Leslie. I viewed the said property and checked the valuation, and according to L. H. Wilson, realtor in Glendale, and expert appraiser is fully valued at \$26,950.00 for the whole interest. Said property is industrial property and is occupied by James L. Ferry with his machinery equipment rental business. The inventory of lots and acreage is correctly set forth in Leslie's report as verified by me from the Trust records. Taxes a lien on decedent's 1/10th interest was \$147.26, deducting this from \$2,695.00 leaves a taxable interest of \$2,547.74.
Estate of Peter Ferry

Schedule "E" (Cont'd.)

Taxability:

Decedent contributed all the money which went to purchase a 1/10th interest in this trust property. Title was taken as joint tenants with his wife Catherine B. Ferry on July 11th, 1925. See assignment of original Trust #1080 attached to form 706 with other Trusts reported herein.

(Defendant's Exhibit D)

On May 28th, 1935 decedent transferred to Mary Alice Diener, James L. Ferry and Peter L. Ferry, Jr., his interest in the aforesaid joint tenancy property without consideration.

While this transfer was of small value it is recommended as taxable because transferred within 18 days of decedent's death, when he was seriously afflicted with cancer and was more than normally apprehensive of death, and was therefore made in contemplation of death.

A copy of the death certificate is attached, marked Exhibit B, I interviewed Dr. Jas. F. Percy, who signed the death certificate and he stated that he attended the decedent from May 28, 1935 to date of death; that on May 28, he found the decedent in the last stages of disease from cancer on the neck, under right jaw; that he operated on the decedent June 11, 1935 but the case was hopeless.

I interviewed Dr. Norman Paine, of Glendale decedent's physician from July 17, 1933 to April 26, 1935. At the time of his first visit on July 17, 1933 decedent had a tiny growth under right jaw, but it was not definitely diagnosed as cancer until August 29, 1934 when it was removed. Dr. Paine stated that decedent went to Savannah, Ga., for treatment in July 1934 and had several operations; decedent returned home Jan. 9, 1935 and appeared O.K.; later in April the case became serious, but he was quite sure the decedent believed he would get well up to April, 1935. Dr. Paine did not treat the decedent after April 26, 1935.

James L. Ferry and Catherine B. Ferry both stated that decedent's trouble was not considered serious until about April of 1935, that he was about attending to his affairs and fully believed he would get well.

(Defendant's Exhibit D)

6. Title Guarantee and Trust Co. Trust
P-1052 Not Returned \$126,604.80

Sub-1 to 42. All but the last four sub-items consist of Notes secured by real estate and all are set forth in Les-Estate of Peter Ferry

Schedule "E" (Cont'd.)

lie's appraisal at the full amount of principal balance due plus accrued interest to date of decedent's death. The last four sub-items are street bonds which are valued at the amount of balance due which according to Tromperter & Company, Street Bond Dealers is a maximum value. Total value of Trust \$126,628.85. Taxes a lien \$24.05 leaves a net value of \$126,604.80 recommended.

All items have been checked with the Trust records and are recommended as set forth in Leslie's appraisal.

Terms and Taxability of Trusts (not discussed above)

1. Name and Number: Citizens National Bank & Savings Bank, Trustee No. 2012 dated 4/7/25. Amended 3/30/29 to include Patrick Robert Ferry a beneficiary with other children.

Beneficiaries:

1. Trustor, wife and 7 children income for life; one child already deceased.
2. Widow to take trustor's share of income.
3. If children die before one of parents, issue get share, if none, parents.
4. Death of both Mr. and Mrs. Ferry, income to children "or their heirs" (probably meaning issue).

year

(Defendant's Exhibit D)

5. Mary O'Brien, \$300.00 per month for life, prior charge against Trust.
6. When parents are both deceased:
 - (a) Boys get their full share until 40 years; if not 40, 1/3rd when 30 years and 1/3rd when 35; balance when 40.
 - (b) Daughter; her share to remain in trust for life, on death to estate.

Revocability: First paragraph, top page four.

This Declaration of Trust may be revoked, modified or amended upon the written order of Peter L. Ferry and Catherine B. Ferry, and any three of the remaining beneficiaries hereunder.

Estate of Peter Ferry

Schedule "E" (Cont'd.)

2. Name and number: Citizens National Trust & Savings Bank, Trustee. No. 6204. Dated June 5, 1930.

Beneficiaries:

1. Trustors jointly for life, (decedent and wife.) and the survivor.
2. On survivors death, then to children, etc .

Revocability: Article XI.

"It is a further provision of this trust, that said Trustors have reserved, and said Trustees does hereby assent to, the express right and power reserved unto said Trustors during their joint lives and acting jointly, and

(Defendant's Exhibit D)

upon the death of either of them then to the survivor acting jointly with two of the Children of Trustors, herein named beneficiaries, to revoke in whole or in part this trust at any time by notice of revocation in writing, addressed and delivered to said Trustee and executed by the required parties above stated:" . . .

3. Name and Number: Security-First National Bank,
Trustee No. SS-4358. Dated
10/9/25

Beneficiaries:

1. Income to Trustor, wife and 6 children for life.
2. Share of Trustor to widow.
3. During minority of children, share to widow.
4. Mary O'Brien shall receive \$300.00 for life, first charge.
5. On death of husband and wife.
 - (a) Daughter, share for life; on death, to issue, if none, to survivors.
 - (b) Six sons: $\frac{1}{3}$ when 30, at 35 an additional $\frac{1}{3}$, and balance until death.

Estate of Peter Ferry

Schedule "E" (Cont'd.)

Revocability: Article IX

"It is an express condition of this trust that the same is hereby made absolute and irrevocable except as to the power reserved in the trustor to make modifications therein during the lifetime of the trustor, Peter L. Ferry, such modification or modifications to be effective only with the

(Defendant's Exhibit D)

consent of the majority of the beneficiaries under this trust. After the death of the trustor, Peter L. Ferry, the above power to modify this trust shall cease and terminate.

Article X

"It is a further provision of this trust that the said trustors have reserved unto themselves and a majority of the beneficiaries, the right, at any time upon written notice delivered to the said Trustee, to alter and change the terms and conditions of this trust as well as the beneficiaries therein named and such right shall be effective immediately upon the receipt of said notice by said Trustee except in so far as such alteration or changes would affect the term of the preceding paragraph hereof making the said trust absolute and irrevocable."

4. Name and Number: Security Trust & Savings
Bank. Trustee, No. 5869.
Dated 2/10/25

Beneficiaries:

1. Mary O'Brien for life.
2. Balance husband and wife and children.
3. During minority of children, to widow.
4. Surviving spouse gets share of deceased spouse in income.
5. When husband and wife both die, trust passes to children—
 - (a) Son when 40, $\frac{1}{3}$ when 30 and $\frac{1}{3}$ when 35;
 - (b) Daughter for life, then to issue.

(Defendant's Exhibit D)

Estate of Peter Ferry

Schedule "E" (Cont'd.)

Revocability: IV (page 4).

"It is an express provision of this trust that there has been reserved the right (to which reservation the Trustee hereby assents) in the Trustor, Peter L. Ferry, to revoke and terminate this trust, in whole or in part, at any time during his life, by a notice of revocation in writing, signed by him, and addressed and delivered to the Trustee at its Trust Department at its Head Office, in Los Angeles, California, not less than thirty (3) days prior to the taking effect of such revocation, providing that a majority of the living beneficiaries (including each of the Trustors) who at that time are entitled to receive income from this trust and who are under no disability, shall consent in writing to such revocation."

6. Name and Number: Title Guarantee and Trust Co. Trustee No. 1052.
Dated 11/2/25 Amended
March 30, 1930 to include
Patrick Robert Ferry, born
3/17/29, a beneficiary.

Beneficiaries:

1. Mary O'Brien, \$25.00 a month for life.
2. Mrs. Ferry and husband for life.
3. On her death all income to children.
4. Sons get share when 40, 35 and 30.
5. Daughter for life, and then to issue.

(Defendant's Exhibit D)

Revocability: Fifth

"It is an express provision of this Trust that the same is and shall be absolute and irrevocable except that said Trustors have reserved unto themselves and a majority of the Beneficiaries the right at any time upon written notice delivered to said Trustee, to change the time of payment and/or the proportion of income, and/or the Beneficiaries mentioned in Article Four of this Trust,

Estate of Peter Ferry

Schedule "E" (Cont'd.)

and such change shall be effective immediately upon receipt of said written notice by said Trustee".

Discussion of taxability of Trusts 1, 2, 3, 4 and 6.

The Supreme Court's opinion in *Helvering v. City Bank Farmers Trust Co.*, U. S. 296 - 85, 16 A.F.T.R. 981, fully sustains the view that because decedent had the power to revoke in conjunction with any one of the other settlers, even though a beneficiary, the statute validly taxed it as a part of the gross estate.

It appears that this decedent, Peter L. Ferry in all of the above trusts held the power to revoke and change the terms of income, in conjunction with others.

The Revenue Act of 1926, Sec. 302 (d), provides:

"The value of the gross estate of the decedent shall be determined by including the value at the time of death of all property, real or personal, tangible or intangible, wherever situated

"(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where enjoyment thereof was subject at the

(Defendant's Exhibit D)

date of death to any change through the exercise of a power, either by the decedent alone or on conjunction with any person, to alter, amend, or revoke”.

The section was first introduced into the Revenue Act of 1924, and reenacted in that of 1926.

Peter L. Ferry created four trusts, Nos. 2012, SS-4358, 5869 and 1052 in the year 1925, and one trust, No. 6204 in 1930. In the language of Mr. Justice Roberts, “He was therefore upon notice of the laws’ demand, and there can be no claim that the statute is retroactive in its application to his transfer.

On the determination that these trusts are revocable trusts, all are recommended as a taxable part of the decedent’s estate.

It must be noted that IF those trusts which were created in the year 1925 (Trusts No. 2012, SS-4358, S-5869 and 1052) are determined as irrevocable trusts then the executor of this estate is *amendable* to a Gift Tax return now delinquent ELEVEN years.

Estate of Peter Ferry

Schedule “E” (Cont’d.)

It is also to be noted that decedent must have been in that frame of mind that would cause one to make testamentary disposition of his property for the reason he transferred his entire estate, except some real estate of practically no value, some street bonds, and other personal property to the value of only a total of \$9,909.60 (his probated estate). And he transferred property valued at date of death at \$610,837.45 without any consideration in money or moneys worth.

(Defendant's Exhibit D)

Except as to the transfer made in 1935 I am reasonably satisfied that the physical condition of decedent was not a factor or governing motive. He was relatively a young man when said trusts were made and in vigorous health up to about 1933 or 1934. Notwithstanding his physical condition I am of the opinion that said transfers recommended herein for tax were made in contemplation of death or in lieu of testamentary disposition. He made a will, dated May 10, 1930 but left practically no estate to pass under said will, practically his entire estate was given to these subject to his bounty as if by will.

SCHEDULE "H"

Total	\$14,126.18	\$9,909.60
Deductions: (See explanation below)		
Funeral Expenses	614.11	614.11

Recommended in the sum expended as verified from filed vouchers.

Executor's Commission	409.38	500.00
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Affidavit requested, not yet secured. Will be forwarded when received. Allowance of \$500.00 recommended as it will make no change on account of limited deductions allowable.

Attorneys' fee	\$ 409.38	\$ 500.00
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The Attorney's affidavit is attached, Marked Exhibit "D" showing \$500.00 was paid in 1936, \$250.00 each to Freston & Fibs and James E. Collins, which sum is approximately the statutory fees and is recommended. The additional sum of \$1,000.00 would be extraordinary and is not recommended.

(Defendant's Exhibit D)

Estate of Peter Ferry

Schedule "H" (Cont'd.)

Miscellaneous Expense	\$ 1,820.27	\$ 181.75
Taxes of \$45.81 is correctly set up on rider and was a lien at date of death, a proper deduction.		
	\$ 45.81	\$ 45.81
1. Personal property taxes	65.96	65.96

This was the tax a lien on the furniture in decedent's home, a proper deduction.

Items 2, 3, 4 and 6.	\$ 58.50	\$ 58.50
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These items are correctly returned as proper deductions, and reasonable court costs.

Item 5.	\$1,000.00	Nil
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This appears to be an expense of the beneficiaries and not an expense of administration because said trusts were not a part of the probated estate.

Item 7.	\$ 640.48	\$ 11.48
Appraisers fees on probated estate was	\$ 11.98	
" " " trust property was	628.50	

Total	\$ 640.48	
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This sum was approved by the Court and was paid.

Appraiser's fee on probated estate only is recommended deductible.

Taxes returned on rider a lien of Trust property has been allowed as a proper deduction from the gross value of the said Trusts in my report above, and may be disregarded here.

(Defendant's Exhibit D)

Estate of Peter Ferry

SCHEDULE "I"

Total	\$10,876.01	\$9,876.01
Item 1.	1,000.00	Nil

This doctor bill was paid by Jas. L. Ferry, on June 10, 1935, his personal check. Recommended not allowable.

1 to 13, incl.	\$ 912.22	\$ 912.22
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The executrix Catherine B. Ferry filed a claim for these items which was approved by the court and all have been paid. All are recommended as proper deductions.

14.	\$ 7,289.59	\$7,289.59
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This claim of Frank Diener was filed in probate for the sum returned and was approved. Said claim was made up of a long list of items of expenses, incurred by the said Frank Diener (Decedents' son-in-law) and in accordance with Decedent's instructions, on the ranch in Fresno County. Said ranch is taxed herein as Sub-Item 36 in Trust No. 6204. It appears that this is a personal liability of the decedent and is recommended as deduction.

15.	\$ 1,674.20	\$1,674.20
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This note is correctly described in form 706 as verified from an inspection of said note in probate files. No endorsements.

It appears that decedent acquired a certain improved lot which was encumbered by a mortgage for \$1,500.00 held by the Pacific States Savings & Loan Company and James L. Ferry, had some paid up certificates of deposit in said Loan Company, which the Company was barred from paying in cash, due to the Building & Loan Moratorium, but

(Defendant's Exhibit D)

were permitted to exchange said certificates for mortgage notes. Decedent gave this note to James L. Ferry and he turned in \$1,500.00 of his paid up certificates to the Loan Company and the mortgage on decedent's lot was cancelled. The loan was bonafide and for full consideration in money to the decedent and is recommended as a proper deduction.

Under the Max Fertig case decision, it is recommended that the total deductions allowable cannot exceed the total sum of the Gross Estate Probated. Total probated estate was \$9,909.90 and only to this extent is recommended all the deductions Schedule H and I.

Estate of Peter Ferry

Schedule "I" (Cont'd.)

Specific Exemption. Decedent was a resident.

Proof of Inheritance Taxes paid. The sum of \$5,000.00 has been paid on account on 12/14/35 but the amount has not yet been fixed by the Court. Proof has been requested and will be forwarded to the Bureau when finally determined.

The Executor through the estates attorney has been advised of the recommendations in my report and a waiver requested.

The Attorney stated there was no objection to my recommended values, but was not in a position at this time to agree to the taxability of the trust, that it was a matter of the law involved. He asked for an early review of the case by the Bureau.

Respectfully,

Nat N. Eddy
Internal Revenue Agent.

(Defendant's Exhibit D)

* * * * *

Int. Rev. Agt.

March 28, 1938.

MT-DC-ET-7738-Sixth California

Estate of Peter Ferry

Date of death—June 16, 1935

[Stamped]: Received Apr 5, 1938 Internal Revenue
Agent in Charge Los Angeles Division

CONFERENCE MEMORANDUM

Memorandum for H. K. Melcher, Head,
Estate Tax Division

A hearing was held in this estate on March 23, 1938. Mr. L. A. Luce, acting under a power of attorney, represented the estate at the hearing. O. L. Bowen of the Appeals and Review Section represented the Government.

One of the issues raised was whether or not a joint life estate in property transferred prior to the enactment of Section 161 (a) of the California Code giving the wife a vested interest in the community, is taxable as to the entire corpus where the trust instrument names the wife as one of the trustors and reserves the right in either with the consent of the other to revoke the trust. Upon the death of the survivor of the husband and the wife the trust corpus was to be distributed to the then living children, or their lawful living issue.

The same issue is raised with respect to trusts created by the donor and his wife wherein the income was pay-

(Defendant's Exhibit D)

able to beneficiaries other than the trustors, with the power reserved to trustors to alter, amend or revoke the trust with the consent of the other and all of the remaindermen with respect to several of the trusts, and with the consent of less than all of the remaindermen in the others.

The corpus of all five of the trusts was acquired by the decedent during coverture prior to the enactment of Section 161 (a) of the California Code giving the wife a vested interest in the community. Prior to the passage of Section 161 (a) of the California Code the wife had a mere expectancy in the community, and the property rights of the husband during the life of the community were so complete that the husband was the owner of the community. *U. S. v. Robbins*, 269 U. S. 315. The signing of the trusts, therefore, by the wife as one of the trustors is of no significance as she contributed nothing of her own to the trusts.

The estate contends that the legal effect of the wife signing the trusts as a trustor was to make her a tenant in common with the husband. An estate of tenancy in common may have been created upon revocation of the trusts because the trust instruments recited that in the event of revocation the property constituting the trust became the property of the trustors. None of the trusts, however, were revoked and the wife, therefore, acquired no more interest in the property than she had at their creation.

(Defendant's Exhibit D)

2—Estate of Peter Ferry

The wife having contributed nothing to the trusts, and having no interest in the trust property other than the life estate given her in certain of the trusts, the property of all five trusts are subject to the tax because of the reserved power in the husband to alter, amend, and revoke the trusts although such revocation could be made only with the consent of those having a substantial adverse interest in the property. Regulations 80 (1937 Edition) Article 20 (a) provide that all trusts are subject to tax—"When the transfer was made after the enactment of the Revenue Act of 1924 (4:01 P. M. Eastern Standard Time, June 2, 1924) and before the amendment of the subdivision by the Revenue Act of 1936 became effective (June 23, 1936) and the decedent's death occurred at any time subsequent to the transfer, and the power was reserved at the time of the transfer and was exercisable by the decedent alone or in conjunction with a person or persons either having or not having a substantial adverse interest or interests in the transferred property, or in conjunction with persons one or more of whom had and one or more of whom had not such an adverse interest." See also *Helvering v. City Bank Farmers Trust Company*, 56 Sup. Ct. Rep. 70.

A ninety-day letter should issue in the case.

.....
Head, Appeals and Review Section.

OLB/VRL

* * * * *

(Defendant's Exhibit D)

REOPENED CASE
ESTATE TAX MAJOR REPORT

MT-ET-6-Calif. Los Angeles, Calif.
Estate of: Peter Ferry February 5, 1940.
Date of Death: June 16, 1935
Deficiency Tax Recommended: \$848.93.
Internal Revenue Agent in Charge,
Los Angeles, California.

Having completed my investigation of the return, Form 706, for the estate named above, as directed by your letter dated October 23, 1939, I herewith submit the following report:

Executrix: Catherine B. Ferry,
c/o Claude I. Parker and
Ralph W. Smith,
808 Bank of America Bldg.,
Los Angeles, California.

Attorney: Claude I. Parker and
Ralph W. Smith,
808 Bank of America Bldg.,
Los Angeles, California.

Forms 704 and 706 used and returned. Form 722 enclosed.

Inheritance Tax Proof requested as stated.
Waiver not necessary.

Exhibit attached: A

Details of My Report Follow:

hms

(Defendant's Exhibit D)

Estate of Peter Ferry

This is a claim for refund.

Assigned to me under date of October 12, 1939 and was prepared by J. E. Blum, with Claude I. Parker and Ralph W. Smith, tax counsel for the executrix, Catherine B. Ferry.

On October 23, 1939, I contacted Mr. Blum and requested him to furnish me with proof that decedent's wife contributed any community funds to the acquisition of insurance policies, and any other data pertinent to this claim, and he said he would get it out to me in a week or 10 days. Subsequently I contacted Mr. Blum requesting said data, on November 2, November 27, December 4, December 20, 1939, and on January 3, January 12 and February 5, 1940, and he always made excuses that he did not have the data available. On January 12 Mr. Blum wrote me a letter promising the data on the 26th. On this date above written I inquired if he had the data ready and he said he had been unable to get it out and did not know when he could.

In view of the above failure, after a reasonable time having elapsed, to submit further proof and data on this case I have to recommend the refund be denied.

The claim contends that the six trusts are taxable only to the extent of one-half because of the community interest of the decedent's wife, being a vested interest, from a property settlement, at the time said trusts were created.

The Bureau has sustained my report on the taxability of these trusts and I have nothing further to offer, except to recommend the claim be denied.

(Defendant's Exhibit D)

The claim also contends that the life insurance policies should be not taxed in full but an allowance be made of the claimed community interest stated to be vested in decedent's wife. No evidence being furnished to prove said community interest, it is recommended the claim be denied.

In all counts in this claim I refer to my report in this case dated January 30, 1937 which was sustained by the Bureau con-

Estate of Peter Ferry

feree. Mr. Blum has advised me that proof of payment of the further sum of \$848.93 (the deficiency tax recommended herein) to the State of California will be sent in as soon as possible. Receipt of this proof will leave no deficiency.

NAT. N. EDDY,
Internal Revenue Agent.

February 20, 1940.

MT:ET

District of 6th California

Estate of Peter Ferry

Date of death: June 16, 1935

[Stamped]: Registered 672349 Return Receipt Requested. Fee Paid 3 cents.

Catherine B. Ferry, Executrix,

c/o Claude I. Parker

808 Bank of America Building,
Los Angeles, California.

(Defendant's Exhibit D)

Madam:

The examination by this office of the estate tax return of the above named estate, in connection with your claim for refund of \$63,825.77 indicates that the adjustment of tax liability shown in the accompanying statement is warranted.

If You Agree to the adjustment shown in the accompanying statement, the enclosed form of waiver should be executed and forwarded to this office promptly, in order to permit the early assessment of the deficiency in tax and to stop the accumulation of interest. Such interest will cease thirty days after the receipt of the executed form, or upon the payment of the deficiency in tax to the Collector, whichever occurs first.

If you desire to make immediate payment of the deficiency in tax without awaiting assessment, you should forward your remittance to the Collector of Internal Revenue at Los Angeles, California, enclosing this letter, or a copy thereof. Interest on the deficiency in tax should be included in your remittance, computed at the rate of six per cent per annum from the due date of the tax to the date of payment.

If You Do Not Agree to the proposed adjustment, you may file a protest, executed in triplicate under oath, with this office, within thirty days from the date of this letter, stating the grounds for your exceptions. Any protest so filed will have careful consideration and, if you so request, an opportunity for a hearing in this office will be granted you prior to final determination of any deficiency against the estate. This letter is not a final notice

(Defendant's Exhibit D)

Estate of Peter Ferry

of deficiency nor of disallowance of your claim, and this office will be pleased to answer any questions which may occur to you in your examination of the enclosed statement.

Should you fail to pay the deficiency in tax to the collector of internal revenue or to file with this office within the thirty-day period mentioned either a waiver on the enclosed form or a written protest, final determination of your tax liability will be made and a notice of deficiency will be sent you in accordance with the provisions of law applicable to the assessment and collection of estate tax deficiencies, and the disallowance of your claim will be recommended.

Your prompt acknowledgment of the receipt of this letter and related papers upon the enclosed form will be much appreciated.

Respectfully,

Internal Revenue Agent in Charge.

Enclosures:

Statement.

Form of waiver.

Form of acknowledgment.

(Defendant's Exhibit D)

MT:ET

District of 6th California

Estate of Peter Ferry

Date of death: June 16, 1935

STATEMENT

Since no evidence has been furnished which would definitely establish the claim for deduction for community property, the following determination is proposed:

	Prior Determination	Proposed Determination
Gross estate,	\$931,863.04	\$931,863.04
Deductions, 1926 Act,	109,909.60	109,909.60
Net estate, 1926 Act,	821,953.44	821,953.44
Net estate, 1935 Act,	871,953.44	871,953.44
Gross tax, 1926 Act,		36,036.74
Credit for estate and inheritance taxes,		27,980.46
Net tax, 1926 Act,		8,056.28
Total taxes, 1926 and 1935 Acts,		149,588.36
Gross tax, 1926 Act,		36,036.74
Net additional tax,		113,551.62
Net tax, 1926 Act,		8,056.28
Total net tax,		121,607.90
Total tax assessed and paid,		120,758.97
Deficiency,		848.93

(Defendant's Exhibit D)

CREDIT

Credit for State estate, inheritance, legacy or succession taxes is allowed in the amount of \$27,980.46. This is the total amount in respect to which the evidence required under Article 9 of Regulations 80 has been submitted. Kindly advise when the additional evidence, if any, may be expected.

If the full eighty per cent credit is allowed, it will eliminate any deficiency from this estate which is due entirely to the tentative disallowance of \$848.93, the amount for which evidence of payment may be furnished.

* * * * *

STATEMENT OF PROTEST

With Respect to Deficiency Claimed in Federal Estate Tax Proposed to Be Assessed Against Catherine B. Ferry, Executrix of the Estate of Peter Ferry, Who Deceased June 16, 1935; and

STATEMENT OF PROTEST

With Respect to Proposed Action on Claim for Refund Filed by Executrix of the Aforesaid Estate.

Los Angeles, California,
April 5, 1940.

Hon. Guy T. Helvering,
Commissioner of Internal Revenue,
Washington, D. C.,

Through the Office of the Internal Revenue Agent
in Charge,
Los Angeles, California.

(Defendant's Exhibit D)

Sir:

Receipt is acknowledged of your letter bearing date February 20, 1940, carrying symbols MT-ET, bearing signature of George D. Martin, Internal Revenue Agent in Charge, which letter authorizes taxpayer, if dissatisfied with the tentative decision of the Commissioner of Internal Revenue therein made, to file within a period of thirty days her protest.

Receipt is also acknowledged of your letter bearing symbols above given, in which the time for filing said protest is extended for a period of fifteen days or, to wit, until the 5th day of April, 1940.

* * * * *

CERTIFICATE

I hereby certify that the foregoing protest was prepared by me for and on behalf of taxpayer; that the facts recited in said protest are the exact facts as given to me by the taxpayer and to the best of my knowledge and belief are true and correct.

Dated at Los Angeles, California, this 5th day of April, 1940.

J. EVERETT BLUM

With Claude I. Parker and Ralph W. Smith
808 Bank of America Building,
Los Angeles, California.

(Defendant's Exhibit D)

MT-ET-California

Estate of Peter Ferry

Date of death: June 16, 1935.

Los Angeles, California

Jun 19 1940

REPORT OF HEARING

Internal Revenue Agent in Charge,

Los Angeles, California.

As a result of Office tentative thirty-day letter dated February 20, 1940, a protest was filed in this office by the above named estate on April 4, 1940. No formal hearing was had.

Appearances:

For the Government: N. A. Burkey, Internal Revenue Agent.

For the Estate: J. Everett Blum and Ralph W. Smith, Attorneys of the Law Firm of Claude I. Parker. (With power of attorney and permits to practice.)

The estate filed claim for refund in the amount of \$63,825.77. It based its claim on increase in valuation of insurance policies over the values claimed when the estate tax return was filed, and the inclusion in the gross estate for tax of certain transfers in trust.

It appears by the record that in filing Form 706, the estate disclosed a tax in the amount of \$16,905.17; that as a result of field investigation a deficiency in estate tax was tentatively determined as appears by thirty day letter dated August 4, 1937; that the substantial part of the deficiency was caused by the disallowance of a claimed community interest in the life insurance policies and the

(Defendant's Exhibit D)

inclusion in the gross estate of transfers in trust not returned by the estate for tax; that the estate filed a protest to the tentative determination with the Bureau whereby it objected to the disallowance of the community claimed and the inclusion in the gross estate of the trusts; that a hearing was

Estate of Peter Ferry.

had on the protest in the Bureau on December 16, 1937, and March 23, 1938, as appears by reports thereof in the file; that as a result of the hearing on December 16, 1937, the Bureau wrote a letter, dated January 22, 1938, a copy of which is in the file, in which it was proposed that there be eliminated a transfer valued at \$5,950.00 covering the transfer of 476 shares of First National Bank of Glendale, and additional deductions were allowed; and that as a result of the various conferences the estate paid the deficiency tax which it now seeks refunded.

The claim of the estate was the subject of field investigation, report thereof being in the file. As a result of the report this office issued its letter under date of February 20, 1940, showing a deficiency in the amount of \$848.93. To this letter the estate has filed its protest.

The protest was set for hearing at 10 A. M., Tuesday, May 21, 1940. At that time Mr. Blum asked that it be continued until the 22nd. His request was granted, but on the 22nd he called by telephone stating that he desired the case to be considered on the record as submitted, waiving formal hearing.

(Defendant's Exhibit D)

In reference to the community interest of the wife claimed in the life insurance policies, it appears at the time of major investigation, and when the matter was under consideration by the Bureau, the case of *Newman v. Commissioner*, 76 Fed. 2d 449, and *Bank of America v. Commissioner*, 34 B.T.A. 684, affirmed by the Ninth Circuit Court of Appeals, was the law governing life insurance policies on the husband decedent, premiums thereon having been paid by community property. The law now applicable is the case of *Lang v. Commissioner*, opinion of the Supreme Court entered May 16, 1938, and the estate of *McCoy v. Commissioner* promulgated by the Board of Tax Appeals April 25, 1939, to which the Commissioner acquiesced in Internal Revenue Bulletin, Vol. 35, 1939 Edition, dated April 28, 1939. These cases established the rule of law that where it be shown that premiums on life insurance policies are paid from community funds, that the community rights attach to the proportion that the community funds paid bear to the whole premiums paid and, with particular reference to the California community property law, the community payments are to be from that type of community acquired after July 29, 1927, the effective date of Section 161 (a) of the California Code. The law on that matter being settled, the only issue on this point in this case is one of fact, i.e., did the wife make contributions to these insurance policies through payments of premiums by community acquired after July 29, 1927?

(Defendant's Exhibit D)

Estate of Peter Ferry.

The report of investigation on this issue states that the investigating officer was unable to obtain satisfactory proof upon which any concession could be made to the claim for refund on account of community contribution.

The only evidence submitted for consideration by the estate on its protest is the sworn statement contained in the protest itself that there were community earnings after July 29, 1927, and that the husband and wife each had separate earnings, and that all the earnings, including community income, were deposited in a joint bank account from which all bills were paid.

Such evidence falls far short of proving that earnings of the husband, as distinguished from all incomes of whatever nature, actually were used for the payments of premiums on these life insurance policies during the years they were asserted to have been so paid.

If it be proven that a part of the wife's separate funds were used for the payment of these premiums no benefit could be given the widow as Ferry died after Article 25, Regulations 80 (1934 Edition) was promulgated.

It is recommended that the claim for refund be denied on the community issue.

In reference to the taxability of the trusts, it appears by the conference memorandums dated December 23, 1937, and March 28, 1938, hereinabove mentioned that the issues raised by the claim for refund and this protest have been carefully considered. There has been no change in the law occurring since these memorandums were issued coming within the knowledge of the writer. The pertinent points of these trusts, in so far as they

(Defendant's Exhibit D)

are brought within the terms of Section 302 (d) of the Revenue Act of 1926, as amended, are fully covered in the report dated December 23, 1937, and it is wholly unnecessary to again restate the provisions.

The law as interpreted and applied by the writers of the two Bureau conference memorandums is supported by the recent case of Colonial Trust Company (Estate of Thomas I. Walker) v. Commissioner, reported in Vol 4—1940 C.C.H., Page 10,103, a decision of the Circuit Court of Appeals for the Second Circuit, decided May 6, 1940.

Estate of Peter Ferry.

It is recommended that the claim for refund and the protest be likewise denied on this issue.

In the protest it is asked that deductions be allowed in full rather than be limited to the amount of the probate estate. No proof in support of additional claimed deductions other than this statement in the protest was submitted. It is, of course, the present rule that deductions are not limited to the amount of the probate estate. It appears by Bureau letter dated January 22, 1938, in the file, that deductions in addition to those allowed by thirty day letter were allowed.

The representatives of the estate desire a hearing before the Staff.

Submitted herewith is protest, copy of power of attorney and request for hearing before the Staff.

N. A. Burkey

Internal Revenue Agent.

NAB:an

Enclosures.

(Defendant's Exhibit D)

June 25, 1940.

MT:ET:7738

District of 6th California

Estate of Peter Ferry

Date of death: June 16, 1935

Commissioner of Internal Revenue,

Washington, D. C.

Reference is made to Bureau letter dated June 21, 1940, requesting advise as to what progress has been made relative to the investigation of a claim for refund in the above named estate which was transmitted to this office under date of August 30, 1939.

Please be advised that the claim was assigned for investigation to Internal Revenue Agent Nat N. Eddy, and a report thereon was submitted under date of February 5, 1940. A preliminary notice was issued on February 20, 1940, and a protest filed on April 4, 1940.

Action on this protest was continually delayed due to the failure of the representatives of the estate to appear and present evidence in support of their protest. An informal hearing was held in this office, and finally the representatives of the estate advised that the case be considered on the record as submitted and a formal hearing was waived.

The conferee's report of action on the protest is dated June 19, 1940, in which the claim was denied. The representatives of the estate were advised of this action and they then requested the case be forwarded to the Technical Staff.

The case was transmitted to the Staff under date of June 19, 1940, where it awaits further action.

(Signed) George D. Martin

SMS:S

Internal Revenue Agent in Charge.

(Defendant's Exhibit D)

* * * * *

C-TS:PD

LA:HLD

TECHNICAL STAFF, PACIFIC DIVISION
ACTION MEMORANDUM

In re Report of Hearing 6/19/40, MT:ET: California.
T.S. No. E-65.

Taxpayer: Estate of Peter Ferry, Catherine B. Ferry,
Executrix, c/o Claude I. Parker, 808 Bank of America
Building, Los Angeles, California.

Represented by: J. Everett Blum, 808 Bank of America
Building, Los Angeles, California.

Collection District: 6th California.

<u>Date of Death</u>	<u>Kind of Tax</u>	<u>Overassessment Claimed by Taxpayer</u>	<u>Overassessment Found by I. R. Agt. in Chge.</u>
June 16, 1935.	Estate	\$63,825.77	None

Internal Revenue Agent in Charge,
Los Angeles, California:

I return herewith the file relating to the above-described case, accompanied by a statement of the issues, the relevant facts and law, and the conclusion reached, with the grounds therefor. This statement has my approval and is incorporated as a part of the record of the case. The Staff Division has reached the following

(Defendant's Exhibit D)

DECISION:

The overassessment in this case is as follows:

<u>Date of Death</u>	<u>Kind of Tax</u>	<u>Overassessment</u>	<u>Amount of Claim to be rejected</u>
June 16, 1935	Estate	None	\$63,825.77

The claim filed on behalf of the above estate in the amount of \$63,825.77 should be rejected and official notice of such rejection should be issued by registered mail to the taxpayer in accordance with the provisions of section 3772(a) of the Internal Revenue Code.

The taxpayer does not agree to the foregoing determination.

Appropriate action should be taken in accordance with paragraph 5 of Commissioner's Mimeograph, R. A. 1014, T. S. No. 57.

By direction of the Commissioner:

(Signed) Virgil Bean WST
Head of Division.

Date: Aug 28 1940
HLD/mom

C-TS:PD
LA:HLD

TECHNICAL STAFF, PACIFIC DIVISION
SUPPORTING STATEMENT

In re Report of Hearing 6/19/40, MT:ET:California.
T.S. No. E-65.

Taxpayer: Estate of Peter Ferry, Catherine B. Ferry,
Executrix, c/o Claude I. Parker, 808 Bank of America
Building, Los Angeles, California.

(Defendant's Exhibit D)

Represented by: J. Everett Blum, 808 Bank of America Building, Los Angeles, California.

Collection District: 6th California.

<u>Date of Death</u>	<u>Kind of Tax</u>	<u>Overassessment Claimed by Taxpayer</u>	<u>Overassessment Found by I. R. Agt. in Chge.</u>
June 16, 1935.	Estate	\$63,825.77	None

Head of Division:

The above-entitled case, referred to the Pacific Division of the Technical Staff, at the request of the taxpayer, has been considered.

In response to a request a conference was granted at Los Angeles, California, on July 8, 1940.

The issues, relevant facts, law and argument and conclusion of the undersigned follow:

I. Issues:

1. Whether an amount of \$32,561.48 representing proceeds of insurance payable to beneficiaries other than the estate in excess of the \$40,000.00 exemption should be included in the gross estate of the decedent.

2. Whether an amount of \$610,837.45 representing property transferred prior to the enactment of section 161(a) of the California Code is includable in the gross estate to the extent of the entire corpus thereof, on the basis of the terms of the respective trust instruments.

II. Findings of Fact:

1. Peter Ferry died June 16, 1935, a resident of Glendale, California. Form 706 was filed on behalf of the estate which

(Defendant's Exhibit D)

Estate of Peter Ferry

Supporting Statement.

reflected a gross estate of \$276,664.17 and disclosed a tax liability amounting to \$16,905.17. As the result of a field investigation a deficiency in estate tax in the amount of \$61,183.19 was determined pursuant to thirty-day letter issued on August 4, 1937.

A substantial portion of the deficiency was caused by adding to gross estate insurance payable to beneficiaries other than the estate, in excess of the \$40,000.00 exemption as follows:

Returned	\$260,071.24
Tentatively determined	292,632.72
	<hr/>
Increase	\$ 32,561.48

The decedent had taken out various life insurance policies during his lifetime. The policies were the ordinary type of printed forms wherein he retained all of the incidents of ownership, such as the right to change the beneficiary, to the date of his death. The statement was made that the premiums on these various contracts were paid after July 29, 1927 with community funds. No evidence was presented in support of this statement. The examining agent states, report dated February 5, 1940, that he endeavored repeatedly between October 23, 1939, and February 5, 1940, to obtain from the representative of the estate proof that the wife of the decedent contributed any community funds in payment of any part of the insurance premiums but that the representative finally advised that he was unable to obtain such proof.

No proof as to such alleged payments was presented during conferences held with the undersigned.

(Defendant's Exhibit D)

2. A substantial portion of the proposed deficiency was due to increasing the gross estate in the amount of \$610,837.45 for the value of property transferred to various trusts by the decedent between the years 1925 and 1935. These were as follows:

	<u>Trust No.</u>	<u>Date Created</u>	<u>Amount</u>
(a)	S-5869	2-10-25	\$108,363.36
(b)	2012	4- 9-25	82,289.16
(c)	1080	7-10-25	2,547.74
(d)	SS-4358	10- 9-25	95,182.02
(e)	1052	11- 2-25	126,604.80
(f)	6204	6- 5-30	195,850.37
Total			<u>\$610,837.45</u>

Estate of Peter Ferry

Supporting Statement.

Copies of the various trust instruments are contained in the file and attention is invited thereto. With the exception of (c) above, each recites that the trustee has received from Peter L. Ferry and Catherine B. Ferry, husband and wife, trustors, a conveyance and transfer to it of the trust property. The pertinent provisions of the trusts are similar and are substantially as follows:

(a) Peter Ferry reserved the right to revoke or terminate Trust S-5869 in whole or in part during his lifetime with the consent of a majority of the living beneficiaries. The income was payable equally to the trustors and their six children, subject to a payment of \$300.00 per month to Catherine Ferry's mother during her lifetime. Upon the death of the survivor of the trustors the principal was to be distributed as prescribed to the remaining beneficiaries.

(Defendant's Exhibit D)

(b) Trust 2012 provides for the distribution of the income share and share alike, among the trustors and their children, revocation and modification to be effected by the trustors and any three of the remaining beneficiaries. Upon the death of both trustors, the corpus is to be distributed among the children as prescribed thereby.

(c) Trust 1080 was created by Harry G. MacBain, July 10, 1925, to sell certain real estate. On July 10, 1925, decedent purchased a one-tenth interest in the trust and took title thereto as joint tenant with his wife. The record indicates that decedent transferred his interest to three of his children on May 28, 1935, eighteen days prior to his death while in an advanced stage of cancer.

(d) Trust SS-4358 was absolute and irrevocable except that Peter L. Ferry could, during his lifetime, make modifications with the consent of the majority of the other beneficiaries who were his wife and six children. The provision for the disposition of the principal was substantially the same as in the above-described trusts.

(e) In this trust the income was to be paid to the trustors and to the survivor of them during their lives. The trust was to be absolute and irrevocable "except that the Trustors have reserved unto themselves and a majority of the Beneficiaries the right at any time upon written notice delivered to said Trustee, to change the time of payment and/or the proportion of income, and/or the Beneficiaries mentioned in Article Four of this Trust
* * *."

The provision for the distribution of the principal upon the death of the trustors is substantially the same as in the other trusts.

(Defendant's Exhibit D)

Estate of Peter Ferry

Supporting Statement.

(f) In this trust the income is payable to trustors jointly during their lifetime and upon the death of either the entire income is payable to the survivor during his or her lifetime. Upon the death of the survivor the corpus is to be distributed equally to the then living children, except that the share of any child under 30 years of age is to be held in trust until such child reaches the age of 30. Trustors reserved the right during their lifetime, acting jointly, to revoke, change, amend or substitute.

After protest the case was considered by the Conference Section of the Bureau and the proposed deficiency was sustained. At the request of the estate's representative the case was reviewed by the Committee on Appeal and Review which sustained the Conference Section. A proposal made by the representative of the estate that it concede the insurance issue and the inclusion of three-fourths of the total trusts in gross estate was rejected by the foregoing action.

Bureau letter MT-ET-7738-6th California, dated February 5, 1938, allowed a credit of \$27,980.46 for State estate, inheritance, legacy and succession taxes. Collector's Form 899 indicates that the full deficiency was paid. Subsequently the estate, on February 20, 1939, filed a claim in the amount of \$63,825.77 and requested reconsideration of both issues. After reconsideration in the field conference office the claim was denied. The recomputation as the result of such conference determined a deficiency of \$848.93. The computation failed to allow a deduction of \$5,950.00, representing a transfer of bank stock and additional expenses of decedent amounting to

(Defendant's Exhibit D)

\$3,310.17 paid by the estate, which were recommended for allowance in Bureau letter MT:ET:Cl. 7738—6th California, dated January 22, 1938. These appear to be proper adjustments and should be allowed, eliminating the proposed additional deficiency, which is barred by statute.

III. Law and Argument:

1. This issue presents the question as to whether gross estate should be increased by the proceeds of insurance payable to beneficiaries other than the estate, in excess of the \$40,000.00 exemption.

The estate's representative relies on the cases of *Lang v. Commissioner*, 304 U.S. 264 (20 A.F.T.R. 1251) and *Elizabeth C. McCoy, Adm'x.*, 37 B. T. A. 114. The *Lang* case involved the Revenue Act of 1926. Section 302(g) of that Act, as amended, provides for the

Estate of Peter Ferry

Supporting Statement.

inclusion in the gross estate at the time of decedent's death of the amount receivable, in excess of \$40,000.00, by all other beneficiaries as insurance under policies taken out by the decedent. Article 25, Regulations 70, states that insurance is deemed to be taken out by the decedent in all cases where he pays all the premiums, either directly or indirectly, whether or not he makes the application.

Article 25, Regulations 80 (1934 Edition) (as amended by T.D. 4729), provides that insurance is considered to have been taken out by the decedent, whether or not he made the application, if he acquired the ownership of, or any legal incident thereof, in the policy. Legal incidents of ownership in the policy, the article continues, include the right of the insured or his estate to its eco-

(Defendant's Exhibit D)

conomic benefits, the power to change the beneficiary, to surrender or cancel the policy, to assign it, and the like.

All of the policies in this case were taken out by the decedent upon his own life. They were the usual standard form of policy giving him legal incidents of ownership such as changing the beneficiary, assignment and the like. They thus come within the express wording of Article 25. The estate's representative failed to show that any portion of the premiums was paid by community funds. But even if this were shown it appears immaterial in view of the provisions of Article 25, Regulations 80. Due to the difference in the express wording of Article 25, Regulations 80, as compared with the same article in Regulations 70, the Lang decision is not applicable in this case. The Court, itself, recognized this fact when it stated:

"Treasury Regulations 70 were in force when Lang died and are applicable to his estate. It is unnecessary for us to consider the meaning, validity or effect of the changes introduced by Regulations 80."

In the McCoy case, *supra*, the question was whether the laws of California were the same as those of the State of Washington with respect to life insurance where the premiums had been paid out of community funds. The question of the difference in the regulations was not discussed, as herein presented. The decedent in the McCoy case died in 1932. Hence Regulations 70 would be applicable as in the Lang case. It is apparent that the McCoy case is not controlling herein.

It was held in *Newman v. Commissioner*, 76 F(2d) 449, where decedent had taken out policies of insurance wherein he reserved the right to change the beneficiaries, and where the premiums were paid out of community property, and the proceeds were to go

(Defendant's Exhibit D)

Estate of Peter Ferry

Supporting Statement.

to his wife, that the transaction is regarded as a gift by the husband to the wife, and the estate of neither is regarded as having paid the premiums so as to be entitled to reimbursement on account of the payment.

In the Estate of Cyprian A. Sporl, Sr., 40 B.T.A. 924 (acq.) decedent died in 1936 in Louisiana leaving a large amount of life insurance. He had had the right up to the date of his death to change the beneficiary. All of the premiums on the policies were paid out of community property. It was held that the total value of the insurance policies at date of death in excess of \$40,000.00 was includable in the gross estate.

While both the Sporl and the Newman cases, *supra*, involved community property laws of Louisiana, no material or essential difference between such laws of that State and those of California as to nullify the controlling effect of those decisions in the instant case was asserted or established by the estate's representative. From a study thereof and consideration of cases involving the laws of these states, it does not appear that any material difference therein exists.

2. This issue involves the question as to whether the establishment of certain trusts by the decedent and his wife amounted to a property settlement between the spouses, giving the wife a vested interest therein, which one-half interest should be excluded from the gross estate of the decedent.

The corpus of all five of the trusts was acquired by the decedent during coverture prior to the enactment of section 161(a) of the California Civil Code giving the

(Defendant's Exhibit D)

wife a vested interest in the community. Prior to the enactment of this section of the Code, the wife had a mere expectancy in the community. The rights of the husband were so complete that the husband was the owner of the community. *U. S. v. Robbins*, 269 U.S. 315. The fact that the wife became a co-trustor is therefore without significance or effect. She contributed nothing of her own and her participation was a mere formality.

It is contended that the legal effect of these trusts was to constitute the wife a tenant in common with her husband in the corpus thereof. There is nothing to indicate that the wife acquired any additional property or property rights by becoming a signatory to the trust instruments. Had any of the trusts been revoked, by the terms of the instruments the corpus would have become the property of the trustors, in which event an estate of tenancy in common might have been created. However, none of the trusts was revoked during the decedent's lifetime.

Estate of Peter Ferry

Supporting Statement.

The decedent had also reserved the power, to alter, revoke, or amend the trusts, with the concurrence of certain of the beneficiaries.

Article 20(a), Regulations 80 (1937 Edition) provides that all trusts are subject to tax when the transfer was made after the enactment of the Revenue Act of 1924 and before the amendment of the subdivisions by the Revenue Act of 1934 became effective, and the decedent's death occurred at any time subsequent to the transfer, with power of revocation reserved to the decedent, alone or with others, having or not having a substantial adverse interest in such property.

(Defendant's Exhibit D)

The wife contributed nothing to the trusts. She had no interest in the trust property other than the life estate given her in certain of the trusts. The decedent reserved the power to alter, amend and revoke the trusts with the consent of others having substantial adverse interests in the property. Accordingly the property, or corpus, of all five trusts are includable in the gross estate of the decedent.

The representative of the estate submitted a proposal for settlement as follows:

(a) That the estate concede issue 1 in full.

(b) That there be included in the gross estate \$503,-940.90 of the transfers in trust and that the remainder thereof, or \$106,896.55 be excluded. Acceptance of this proposal would result in an overassessment and refund of \$7,199.84 plus interest. Careful consideration of this offer in the light of the applicable law leads to the conclusion that the proposed offer is unacceptable.

On the basis of the foregoing, the claim for refund of the estate in the amount of \$63,825.77 should be officially rejected in accordance with established procedure.

IV. Conclusion:

Since the taxpayer did not submit an acceptable proposal for settlement the case should be returned to the Revenue Agent in Charge for appropriate action.

(Signed) H. L. Ducker

Assistant Technical Advisor.

HLD/mom

Aug 26 1940

* * * * *

(Defendant's Exhibit D)

Oct 18 1940

MT-ET-7738-6th California

Estate of Peter Ferry

Date of death—June 16, 1935

Catherine B. Ferry, Executrix,

3030 N. Chevy Chase,

Glendale, California.

Madam:

Reference is made to the claim on Form 843 filed on February 9, 1939, on behalf of the above-named estate for the refund of \$63,825.77, Federal estate tax paid, "or such greater amount as is legally refundable with interest." The claim involves two issues, first, as to whether the amount of \$32,561.48, representing proceeds of insurance payable to beneficiaries other than the estate in excess of the \$40,000.00 exemption, should be included in the gross estate of the decedent; and the other as to whether the amount of \$610,837.45, representing property transferred prior to the enactment of section 161(a) of the California Code, is includible in the gross estate to the extent of the entire corpus thereof on the basis of the terms of certain trust instruments.

With respect to the first issue you contend that the life insurance policies should not be taxed in full, but an allowance should be made of the claimed community interest stated to be vested in you. You rely on the case of *Lang v. Commissioner*, 304 U.S. 264 (20 A.F.T.R. 1251) and the case of *Elizabeth C. McCoy, Administratrix*, 37 B.T.A. 114.

The Bureau has considered the cases cited and is of the opinion that they are not controlling in this case.

(Defendant's Exhibit D)

It appears that all of the policies in this case were taken out by the decedent upon his own life. They were the usual standard form of policy, giving him legal incidents of ownership such as changing the beneficiary, assignment and the like. They thus come within the express wording of Article 25 of Estate Tax Regulations 80. No evidence has been submitted showing that any part of the premiums was paid out of community funds.

2—Estate of Peter Ferry

With respect to the second issue you contend that the six trusts are taxable only to the extent of one-half because the establishment of the trusts amounted to a property settlement between the decedent and yourself, giving you a vested interest therein.

It appears that the corpus of all six of the trusts was acquired by the decedent during coverture prior to the enactment of section 161(a) of the California Civil Code giving the wife a vested interest in the community. Prior to the enactment of this section of the Code, the wife had a mere expectancy in the community. The rights of the husband were so complete that the husband was the owner of the community. *U. S. v. Robbins*, 269 U.S. 315. The fact that the wife became a cotrustor is therefore without significance or effect. She contributed nothing of her own and her participation was a mere formality.

It is contended that the legal effect of these trusts was to constitute the wife a tenant in common with her husband in the corpus thereof. There is nothing to indicate that the wife acquired any additional property or property rights by becoming a signatory to the trust instruments. It may be assumed, without conceding that

(Defendant's Exhibit D)

upon revocation of any of the trusts the corpus by the terms of the instruments would have become the property of the trustors, in which event a tenancy in common might have been created. However, none of the trusts was revoked during the decedent's lifetime. The fact remains that the transfers were made by decedent after the enactment of the Revenue Act of 1924, and the decedent reserved the power, to alter, revoke or amend the trusts, with the concurrence of certain (but less than all) of the beneficiaries, and such power was in existence at the date of decedent's death. The transfer, therefore, comes within section 302(d) of the Revenue Act of 1926.

On the basis of the foregoing, and since there does not appear to be an overpayment of Federal estate tax in this case, the claim filed on February 9, 1939, for the refund of \$63,825.77 is rejected in its entirety.

Respectfully,

Guy T. Helvering,
Commissioner.

By (Signed) D. S. Bliss
D. S. Bliss,

Deputy Commissioner.

JFH zm

[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Deft. Exhibit No. D in evid. Filed 6/7, 1943. By Cross, Deputy Clerk.

[DEFENDANT'S EXHIBIT F]

MT-ET-7738-6th California

Estate of Peter Ferry

Date of death—June 16, 1935

Jun 22 1937

Mr. George D. Martin,
Internal Revenue Agent in Charge,
939 South Broadway,
Los Angeles, California.

My dear Mr. Martin:

Reference is made to your report dated January 30, 1937, of an investigation of the above-named estate by Internal Revenue Agent Nat N. Eddy.

The report of Internal Revenue Agent Eddy makes mention of an appraisal of Preston H. Leslie relative to the valuation of property contained in certain trusts disclosed under Schedule E in the estate tax return, Form 706. However, examination of the file fails to disclose such an appraisal.

In this connection, it is requested that you submit to this office at your earliest convenience inventories showing the value of the property contained in each of the above-mentioned trusts as of the date of the decedent's death.

Very truly yours,

(Signed) D. S. Bliss,
D. S. Bliss,
Deputy Commissioner.

GCW:DH

(Defendant's Exhibit F)

[Crest]

Office of
Internal Revenue Agent in Charge
Los Angeles Division
Los Angeles Division

TREASURY DEPARTMENT

Internal Revenue Service
939 South Broadway
Los Angeles, Calif.
June 26, 1937.

MT:ET:7738

District of 6th California

Estate of Peter Ferry

Date of death: June 16, 1935

[Stamped]: Bureau Record

[Stamped]: Dispatched from Files E. T. Div. Without Case Jul 1 1937

[Stamped]: Received—Files Jun 30 1937 Estate Tax
Commissioner of Internal Revenue,
Washington, D. C.

Receipt is acknowledged of Bureau letter dated June 22, 1937, in the above named estate.

In this connection, there is transmitted herewith an appraisal by Preston H. Leslie relative to the valuation of property contained in certain trusts disclosed under Schedule E in the estate tax return, Form 706, and which

(Defendant's Exhibit F)

was referred to in Internal Revenue Agent Eddy's report of January 30, 1937.

George D. Martin

GEORGE D. MARTIN,

Internal Revenue Agent in Charge.

SMS:S

Enclosure

[Stamped]: Received From Files Jul 2 1937 Field
Review

Los Angeles, Calif.

San Francisco, Calif.

Washington, D. C.

CLAUDE I. PARKER

Attorney at Law

937 Munsey Building

Washington, D. C.

National 5623

[Stamped]: Internal Revenue Aug 31 1937 Miscel-
laneous Tax Unit

August 30, 1937.

Hon. Guy T. Helvering,

Commissioner of Internal Revenue,

Washington, D. C.

In re: Estate of Peter Ferry,
Los Angeles, California.

(Defendant's Exhibit F)

Sir:

Reference is made to your letter of August 4, 1937, granting thirty days in which to file a protest against the findings of the Commissioner in the above noted case.

The attorney who is handling the case in our Los Angeles office is absent from this country and is not expected to return until about October 1st.

It will be greatly appreciated if an extension of time until November 4, 1937 is granted the Estate of Peter Ferry in which to file a protest.

Respectfully,

L. A. Luce

N.J.P.

MT-ET-7738-6th California

Estate of Peter Ferry

Date of death—June 16, 1935

Sep 7-1937

Catherine B. Ferry, Executrix,
3030 North Chevy Chase,
Glendale, California.

Madam:

Reference is made to the request of Mr. L. A. Luce for an extension of time for the filing of certain evidence in connection with the above-named estate.

The extension granted to November 4, 1937, is hereby confirmed.

Respectfully,

(Signed)

(Signed) ADELBERT CHRISTY

Adelbert Christy,

Acting Deputy Commissioner.

NJP/R

(Defendant's Exhibit F)

November 10, 1937.

MT-ET-7738-6th California
Estate of Peter Ferry

L. A. Luce, Attorney,
937 Munsey Building,
Washington, D. C.

Sir:

In compliance with your request, a hearing with respect to the Federal estate tax liability of the above-named estate has been scheduled for 9:30 a. m., December 16, 1937, Room 6237, Internal Revenue Building, Twelfth Street and Constitution Avenue, Northwest, Washington, D. C.

Any additional documentary evidence which the estate desires to submit in support of its contentions should be on file in this office five days prior to the date of the hearing.

Respectfully,

(Signed) D. S. Bliss,

D. S. Bliss,

Deputy Commissioner.

ms

ROUTING TAG

To: Storz

From: LAC

Return to sender

(if checked).....

should further cont be granted?

Yes, in accordance with understanding at 1st comp.

G. S.

(Defendant's Exhibit F)

[Stamped]: Internal Revenue Nov. 4 1937 Miscel-
laneous Tax Unit

[Stamped]: Received—Files Nov 5 1937 Estate Tax

[Stamped]: Protest M.H.H./AMB

STATEMENT OF PROTEST

With Respect To

DEFICIENCY CLAIMED IN FEDERAL ESTATE
TAX PROPOSED TO BE ASSESSED AGAINST
CATHERINE B. FERRY, EXECUTRIX OF THE
ESTATE OF PETER FERRY, WHO DECEASED
JUNE 16, 1935.

PROTESTANT'S ADDRESS IS:

Care of Claude I. Parker,
808 Bank of America Building,
650 South Spring Street,
Los Angeles, California.

Los Angeles, California,
October 29, 1937.

[Stamped]: Dispatched from Files E. T. Div. With
Case Nov 6 1937

Honorable Guy T. Helvering,
Commissioner of Internal Revenue,
Washington, D. C.

Sir:

Receipt is acknowledged of your letter bearing date of
August 4, 1937, carrying symbols MT-ET-7738-6th Cali-
fornia, and bearing signature of D. S. Bliss, Deputy Com-
missioner, which letter authorizes taxpayer, if dissatisfied
with the tentative decision of the Commissioner of In-

(Defendant's Exhibit F)

ternal Revenue therein made, to file, within a period of thirty days, her protest.

Receipt is also acknowledged of your letter bearing symbols above given, in which the time for filing protest against the proposed deficiency set forth in your letter of August 4, 1937 is extended to November 4, 1937.

Protestant expresses her appreciation for the privilege of being permitted to register her dissatisfaction with the proposed determination of the Commissioner and expresses her appreciation of the extension granted within which to file this protest.

Protestant is dissatisfied with the proposed determination and assigns errors specifically as follows:

First: That the Commissioner has erred in increasing the gross estate by including therein certain trusts specifically set out in said letter of August 4, 1937.

Second: That the Commissioner erred in increasing valuations of items of insurance as set out in said letter of August 4, 1937.

Third: That the Commissioner erred in refusing to allow the full amount of deductions shown in the Federal estate tax return filed, and in allowing only the amount of deductions to the extent of the value of the probate estate.

The facts upon which the protestant relies are briefly as follows:

Respecting the inclusion in the gross estate of certain trusts as transfers, protestant states that prior to the death of the decedent, the decedent and your protestant

(Defendant's Exhibit F)

made certain transfers of their property in trust; that said trusts are as follows:

Trust No. 5869, created February 10, 1925, in which the Security Trust and Savings Bank, a corporation, was named as Trustee, and in which the decedent and your protestant were named as Trustors;

Trust No. 2012, created April 9, 1925, in which the Citizens National Trust and Savings Bank was the Trustee, and the decedent and your protestant were the Trustors;

Trust created October 9, 1925, in which the Pacific Southwest Trust and Savings Bank was the Trustee, and in which the decedent and your protestant were the trustors.

Trust No. 1052, created Nvember 2, 1925, in which the Title Guarantee and Trust Company was named Trustee, and in which the decedent and your protestant were named the Trustors;

Trust No. 6204, created June 5, 1930, in which the Citizens National Trust and Savings Bank of Los Angeles was named the Trustee, and in which the decedent and your protestant were named the Trustors.

In each and every of said trusts it will be noted that both the decedent and your protestant are the trustors. The creation of such trusts effected between the decedent and your protestant a property settlement agreement to the effect that each would be vested at the time of the creation of each of said trusts with an undivided One-Half ($\frac{1}{2}$) interest in the property which comprised the corpus of the trust.

(Defendant's Exhibit F)

In California a husband and wife may make a property settlement agreement. (See Section 158, Civil Code of the State of California).

In California contracts may be either express or implied. (See Section 1619, Civil Code of the State of California).

An implied contract is one the existence of terms of which is manifested by conduct. (See Section 1621, Civil Code of the State of California).

It cannot be doubted that in the instant matter the decedent and protestant by their conduct in placing their property in trust effected a property settlement agreement and that, therefore, each would be the owner at the time of the creation of such trust of an undivided One-Half ($\frac{1}{2}$) interest in the property comprising the corpus of said trust, as hereinbefore stated; that, therefore, no more than One-Half ($\frac{1}{2}$) of the value of the corpus of such trusts would be included in the gross estate of the decedent for Federal estate tax purposes. Further, if the trusts had been revoked, or could have been revoked, the property would have vested in the decedent and your protestant as tenants in common since, upon the revocation of a trust, the corpus of such trust re-vests in the trustors thereof. (See Section 2280 of the Civil Code of the State of California). Such transfers, therefore, should not be included in the gross estate of the decedent to the full extent of their value but, at most, should be included only as to One-Half ($\frac{1}{2}$) of the value of the corpus of said trusts.

Bank of America Trust Co. v. Com. (Merton J. Price Est) 34 BTA 684 aff'd 9th CCA 6-21-37

(Defendant's Exhibit F)

As to the increase in valuation of insurance policies, your protestant is informed and believes and, therefore, states it to be a fact that the values returned in the Federal estate tax return filed herein are the true values of such insurance policies.

As to the deductions taken by the estate of decedent, there is apparently no dispute as to the correctness thereof. The Commissioner has merely limited the deductions to the total appraised value of the probate estate, apparently upon the theory that that amount represents the total amount of the debts and deductions which will be payable out of said probate estate. This question has been ruled upon by the Board of Tax Appeals and the Federal Courts adversely to the position taken by the Commissioner.

- See Union Guardian Trust Co. 32 B.T.A. 996;
Mary Q. Hallock, 34 B.T.A. 575;
Edna F. Hays, 34 B.T.A. 808;
Edith M. O'Donnell, 35 B.T.A. 37, decided January 12, 1937;
Commissioner of Internal Revenue v. Strauss, 77 Fed. (2nd) 401;
Baer v. Milbourne, 13 Fed. Supp., 998;
Thomas De C. Ruth, et al., v. Commissioner, Docket No. 80840, promulgated June 22, 1937, 36 B.T.A.;
Commissioner v. Ames, 88 Fed. (2nd) 388;
Commissioner v. Windrow, Fed. (2nd) (C.C.A. 5th Circuit, March 6, 1937);

(Defendant's Exhibit F)

Helvering v. Northwestern National Bank,
Fed. (2nd) (C.C.A. 8th Circuit, April 14,
1937).

It is respectfully submitted that this question is no longer an open question but has been definitely decided that the full amount of deductions, irrespective of the value of the probate estate, should be allowed.

In conclusion, your protestant submits that a reconsideration should be given by the Commissioner to the points here involved, and, upon such reconsideration, adjustments made in accordance with the facts and arguments set forth herein, and that no more than One-Half ($\frac{1}{2}$) of the value of the corpus of the trusts should be included in decedent's gross estate; that the insurance policies should be valued as per the Federal estate tax return; and that the full amount of the deductions as claimed in the Federal estate tax return should be allowed.

Respectfully submitted,

CATHERINE B. FERRY

Catherine B. Ferry

Executrix of the Estate of Peter Ferry

Claude I. Parker

CLAUDE I. PARKER

Ralph W. Smith

RALPH W. SMITH

808 Bank of America Building,

Los Angeles, California,

Attorneys for the Administratrix

Of Counsel:

L. A. Luce,

L. A. LUCE,

937 Munsey Building,

Washington, D. C.

(Defendant's Exhibit F)

State of California

County of Los Angeles—ss:

Catherine B. Ferry, being first duly sworn, deposes and says: that she is the duly appointed, qualified and acting Administratrix of the Estate of Peter Ferry, deceased and is the taxpayer named in the foregoing Statement of Protest and that she has read the said protest and knows the contents thereof; and that the same is true of her own knowledge, except as to the matters which are therein stated upon her information and/or belief, and as to those matters that she believes it to be true.

Catherine B. Ferry

Subscribed and sworn to before me this 30 day of Oct,
1937

Verna Frantz

Notary Public in and for the County of
Los Angeles, State of California

My Commission Expires May 14, 1941.

CERTIFICATE

I hereby certify that the foregoing protest was prepared by me for and on behalf of taxpayer; that the facts recited in said protest are the exact facts as given to me by the taxpayer and to the best of my knowledge and belief are true and correct.

Dated at Los Angeles, California, this 30 day of October, 1937.

J. EVERETT BLUM

With CLAUDE I. PARKER &

RALPH W. SMITH

808 Bank of America Building
Los Angeles, California.

(Defendant's Exhibit F)

Los Angeles, Calif.

San Francisco, Calif.

Washington, D. C.

CLAUDE I. PARKER

Attorney at Law

937 Munsey Building

Washington, D. C.

National 5623

November 5, 1937.

[Stamped]: Internal Revenue Miscellaneous Tax
Unit Nov 6 1937. Received Nov 19 1937 Estate Tax
Division

Honorable Guy T. Helvering,
Commissioner of Internal Revenue,
Washington, D. C.

Attention—Estate Tax Division.

MT-ET-7738-6th California.

In re: Estate of Peter Ferry.

Sir:

A protest was filed in the above case on November 4, 1937. After your office has had an opportunity to consider the protest it is respectfully requested that the undersigned be granted a conference as duly authorized representative of the Estate of Peter Ferry.

Respectfully,

L. A. Luce

(Defendant's Exhibit F)

[Written]: Grant Conf — No valuation question C P
MT-ET-C1-7738-6th California

Estate of Peter Ferry

Date of death—June 16, 1935

December 23, 1937.

Mr. H. K. Melcher,

Head, Estate Tax Division.

CONFERENCE MEMORANDUM—ESTATE TAX DIVISION

Date of hearing: December 16, 1937.

Estate represented by: L. A. Luce, attorney holding
power of attorney and practice card.

Bureau represented by: C. Palmer, Adjustment Section.

Subject: Insurance, transfers, and limitation of deductions.

Gross Estate

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Insurance:			
Insurance payable to beneficiaries other than the estate in excess of the \$40,000.00 exemption	\$260,071.24	\$292,632.72	\$292,632.72

The decedent retained all incidents of ownership in the policies to the date of his death. However, the estate contends that the wife acquired a vested community in-

(Defendant's Exhibit F)

terest in one-half of the insurance that was purchased by premiums paid with community funds subsequent to July 29, 1927, the effective date of section 161(a) of the Civil Code of California.

2—Estate of Peter Ferry

This question was settled by the decision of Newman v. Commissioner, 76 Fed. (2d) 449, certiorari denied 56 S. Ct. 116. The principle announced in the Newman case was adopted and applied in the Merton J. Price estate (a California case) in Bank of America Trust Company v. Commissioner, 34 B. T. A. 684, which was affirmed by the Ninth Circuit Court of Appeals on June 21, 1937. Accordingly, the entire amount of the proceeds of the policies in excess of \$40,000.00 was properly included in the gross estate in the 30-day letter and no adjustment is in order.

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers:			
Trust No. 6204			
created June 5,			
1930	0.00	\$195,850.37	\$195,850.37

The first paragraph of the trust instrument recites that the trustee has received from Peter L. Ferry and Catherine B. Ferry, husband and wife, of Glendale, California, hereinafter called "trustors", a conveyance and transfer to it of the trust property.

The important provisions of the trust are as follows:

"Article VI

"During the term of this trust said Trustors have reserved and it is an express term and provision of

(Defendant's Exhibit F)

this trust, that they shall be allowed to continue in full, free and undisturbed possession of the whole of the trust estate, without any rental or accounting therefor to said Trustee or any of the other beneficiaries under this trust; but they shall not incur any liabilities in connection therewith for which the Trustee may in any event become legally chargeable. Provided, however, that at any time upon the written request of Trustors, or the survivor and two beneficiaries herein, Children of Trustors, and after the death of both of Trustors, then upon the request of the majority of beneficiaries herein, Children of Trustors, said Trustee shall take over the actual and active management of the trust estate.

3—Estate of Peter Ferry

“Article VII

“The entire net income derived from the trust estate and available for distribution hereunder shall be paid monthly to the Trustors jointly during their lifetime, and, upon the death of either, then to the survivor during his or her lifetime, or until the revocation or modification of this trust as herein-after provided. Trustee to make quarterly statements.

“Article VIII

“Upon the demise of the surviving Trustor, the Trustee shall apportion the trust estate remaining (but without making any physical segregation or division thereof except if and when and to the extent required to make distribution therefrom as herein-

(Defendant's Exhibit F)

after provided) into undivided shares or portions as follows:

"One share shall be apportioned upon the principle of representation to each of the then living children of the Trustors and then living lawful issue of each deceased child.

* * *

"Article XI

"It is a further provision of this trust, that said Trustors have reserved, and said Trustee does hereby assent to, the express right and power reserved unto said Trustors during their joint lives and acting jointly, and upon the death of either of them then to the survivor acting jointly with two of the Children of Trustors, herein named beneficiaries, to revoke in whole or in part this trust at any time by notice of revocation in writing, addressed and delivered to said Trustee and executed by the required parties above stated; said notice to be given at least thirty (30) days prior to the taking effect of such revocation.

* * *

"It is an express term and condition of this trust that the Trustors have reserved and vested in

4—Estate of Peter Ferry

themselves jointly during their joint lives, and after the death of either of them then unto the surviving Trustor and two of the Children of Trustors, herein named beneficiaries, the general and specific right, power and option at any time or from time to time

(Defendant's Exhibit F)

during their lives and while this trust is in effect, by written instrument executed jointly with said Trustee, to change or amend, substitute or add other or new provisions to this trust in whole or in part in any respects without limitation."

The entire income was payable to the trustors jointly during their lifetime and upon the death of either the entire income is payable to the survivor of the trustors during his or her lifetime. Upon the death of the surviving trustor, the property is to be distributed in equal shares among the then living children of the trustors and the issue of any deceased child, except that the share of any children under the age of 30 years is to be held in trust until such child reaches the age of 30 years. The trustors reserved the power during their joint lives to revoke the trust in whole or in part and after the death of one of the trustors, the surviving trustor, acting jointly with two of the children, had the power to revoke the trust in whole or in part.

The trustors also reserved the right, acting jointly during their joint lives, to change or amend, substitute or add other or any provisions to the trust without limitation, and after the death of one of the trustors such right was reserved to the surviving trustor acting jointly with two of the children.

As this trust was created after the effective date of the Revenue Act of 1924 and could have been altered, amended, or revoked with the consent of the wife, who was only one of seven named beneficiaries, the transfer comes squarely within the provisions of section 302(d) of the Revenue Act of 1926, and the decision of the

(Defendant's Exhibit F)

Supreme Court of the United States in the case of City Bank Farmers Trust Company v. Commissioner in the Gertrude Feldman James estate. Also, the entire value of the trust is includible in the gross estate under the provisions of section 803 of the Revenue Act of 1932 as the decedent retained the right to receive the income therefrom for a period not ascertainable without reference to his death.

5—Estate of Peter Ferry

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers (cont'd):			
Trust No. 2012			
created April 9,			
1925	0.00	\$82,289.16	\$82,289.16

The first paragraph of the trust agreement recites that Peter L. Ferry and Catherine B. Ferry, his wife, hereinafter called the "trustors", have deposited with the trustee certain described property.

The important provisions of the trust are as follows:

"2. To receive and receipt for all of the income which may be derived from the corpus of this Trust and to pay over monthly to Peter L. Ferry and Catherine B. Ferry, his wife, Mary Alice Ferry, James L. Ferry, Peter L. Ferry, Jr., Catherine Helen Ferry, John M. Ferry and William F. Ferry, children of Peter L. Ferry and Catherine B. Ferry upon their sole and separate receipt, all the income de-

(Defendant's Exhibit F)

rived therefrom, share and share alike, for the remainder of their natural lives unless this Trust be previously terminated as hereinafter provided.

* * *

"This Declaration of Trust may be revoked, modified or amended upon the written order of Peter L. Ferry and Catherine B. Ferry, and any three of the remaining beneficiaries hereunder."

Under date of March 30, 1929, the trust was amended to include as a beneficiary a child born after the date of the creation of the trust.

The trust provides that upon the death of the decedent and his wife the interest of four of the children in the principal is payable to them in installments upon their arriving at certain ages, and the interest of the two remaining children is to be held in trust for them for life with remainder to their issue.

6—Estate of Peter Ferry

This trust was created after the effective date of the Revenue Act of 1924 and could have been revoked by the decedent and his wife with the consent of any three of the six children beneficiaries. Accordingly, the transfer comes within the provisions of section 302(d) of the Revenue Act of 1926.

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers (cont'd):			
Trust No. S-5869			
created February			
10, 1925	0.00	\$108,363.36	\$108,363.36

(Defendant's Exhibit F)

The first paragraph of the trust agreement recites that the trustee has received from Peter L. Ferry and Catherine B. Ferry, his wife, the "trustors", certain property.

The important provisions of the trust are as follows:

"IV.

"It is an express provision of this trust that there has been reserved the right (to which reservation the Trustee hereby assents) in the Trustor, Peter L. Ferry, to revoke and terminate this trust, in whole or in part, at any time during his life, by a notice of revocation in writing, signed by him, and addressed and delivered to the Trustee at its Trust Department at its [its] Head Office, in Los Angeles, California, not less than thirty (30) days prior to the taking effect of such revocation, providing that a majority of the living beneficiaries (including each of the Trustors) who at that time are entitled to receive income from this trust and who are under no disability, shall consent in writing to such revocation. On such revocation becoming effective, the trust as to the portion of the trust estate to which such notice may relate, if it be only in part, or as to the entire trust estate, if it be a total revocation, shall terminate, and such part of the trust estate or all, as the case may be, shall vest in and be conveyed, transferred and delivered, discharged of any trust, to the Trustors, if they both are living, and if Peter L. Ferry alone of the Trustors be living, then to him.

(Defendant's Exhibit F)

7—Estate of Peter Ferry

"VIII.

"The net income derived from the trust estate, to the extent of Three Hundred (\$300.00) Dollars per year only, shall go and be paid in monthly installments to Mrs. Mary B. O'Brien, who is the mother of the Trustor, Catherine B. Ferry, as long as said Mary B. O'Brien shall live. Subject to the payment of this amount to Mrs. Mary B. O'Brien (and the trust unless revoked shall not terminate prior to her death), the net income shall be paid in monthly installments as nearly equal as practicable, as follows:

"In equal shares to each of the Trustors and each of the lawful children of the Trustors, their present children and the dates of their births being as follows: (Names of six children follow.)"

The provision for distribution of the principal upon the death of the survivor of the trustors is substantially the same as provided in the two preceding trusts.

As the trust was created after the effective date of the Revenue Act of 1924 and was subject to revocation by the decedent with the consent of his wife and a majority of the children, the transfer comes within the provisions of section 302(d) of the Revenue Act of 1926.

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers (cont'd):			
Trust No. SS-4358			
created October 9,			
1925	0.00	\$95,182.02	\$95,182.02

(Defendant's Exhibit F)

The trust agreement recites that the property was received by the trustee from Peter L. Ferry and Catherine B. Ferry, his wife, as "trustors".

8—Estate of Peter Ferry

The important provisions of the trust are as follows:

"VII.

"The entire net income derived from said trust estate and available for distribution hereunder shall be paid monthly in equal parts share and share alike to the trustors, Peter L. Ferry, Catherine B. Ferry, and their issue, Mary Alice Ferry, James L. Ferry, Peter L. Ferry, Jr., Catherine H. Ferry, John M. Ferry and William Ferry, for and during the terms of their natural lives or of the happening of the events hereinafter provided for.

* * *

"IX.

"It is an express condition of this trust that the same is hereby made absolute and irrevocable except as to the power reserved in the trustor to make modifications therein during the lifetime of the trustor, Peter L. Ferry, such modification or modifications to be effective only with the consent of the majority of the beneficiaries under this trust.

"After the death of the trustor, Peter L. Ferry, the above power to modify this trust shall cease and terminate.

"X.

"It is a further provision of this trust that the said trustors have reserved unto themselves and a

(Defendant's Exhibit F)

majority of the beneficiaries, the right, at any time upon written notice delivered to the said Trustee, to alter and change the terms and conditions of this trust as well as the beneficiaries therein named and such right shall be effective immediately upon the receipt of said Notice by said Trustee except in so far as such alteration or changes would affect the term of the preceding paragraph hereof making the said trust absolute and irrevocable."

9—Estate of Peter Ferry

The provision for disposition of the principal is substantially the same as contained in the other trusts.

This trust was created after the effective date of the Revenue Act of 1924. The decedent reserved the right to make modifications during his life with the consent of a majority of the beneficiaries and the decedent reserved the right, with the consent of his wife and a majority of the beneficiaries, to alter and change the terms and conditions of the trust as well as the beneficiaries. This transfer comes within the provisions of section 302(d) of the Revenue Act of 1926.

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers (cont'd):			
Trust No. 1052			
created November 2,			
1925	0.00	\$126,604.80	\$126,604.80

The first paragraph of the trust agreement recites that the trustee has received the trust property from Peter L. Ferry and Catherine B. Ferry, the trustors.

(Defendant's Exhibit F)

The important provisions of the trust are as follows:

"Fourth: The entire net income derived from the Trust Estate and available for distribution hereunder shall be paid monthly to the Trustors and to the survivor of them, during their lives. * * *

* * *

"Fifth: It is an express provision of this Trust that the same is and shall be absolute and irrevocable except that said Trustors have reserved unto themselves and a majority of the Beneficiaries the right at any time upon written notice delivered to said Trustee, to change the time of payment and/or the proportion of income, and/or the Beneficiaries mentioned in Article Four of this Trust, and such change shall be effective immediately upon receipt of said written notice by said Trustee."

10—Estate of Peter Ferry

The provision for distribution of the principal upon the death of the trustors is substantially the same as contained in the other trusts.

As the trust was created after the effective date of the 1924 Act and as the trustors reserved the right with the consent of a majority of the beneficiaries, to change the beneficiaries and change the proportion of the income payable to the beneficiaries, the transfer comes within the provisions of section 302(d) of the Act.

This trust was amended on March 3, 1930, to include as a beneficiary the child born on March 17, 1929.

(Defendant's Exhibit F)

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers (cont'd):			
Trust No. 1080 created July 10, 1925	0.00	\$2,547.74	\$2,547.74

The above item represents a declaration of trust created by Harry G. MacBain to sell certain real estate. On July 11, 1925, the decedent purchased a 1/10 interest in the trust and took title thereto as joint tenant with his wife. The internal revenue agent states on page 13 of his report that the decedent transferred his interest in the joint tenancy to three of his children as a gift on May 28, 1935. The transfer was made 18 days prior to decedent's death when decedent was in the last stages of cancer. This transfer may be included only as a transfer made in contemplation of death.

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Transfers (cont'd):			
476 shares First National Bank of Glendale	0.00	\$5,950.00	0.00 \$5,950.00

11—Estate of Peter Ferry

On December 8, 1934, the decedent transferred 476 shares of First National Bank stock to his son Peter Leo Ferry. The agent's report contains the following information with respect to this transfer:

"It appears from the statements to me by Peter Leo Ferry, James L. Ferry and Catherine B. Ferry

(Defendant's Exhibit F)

that this stock was given to the said Peter Leo Ferry, by the decedent, out of his block of stock in said bank in order to induce him to remain as an employee of said bank and not leave the bank as he intended to do. The stock was delivered in person to said son on the date named above and he at all times has had possession of it. The stock has never paid a dividend and was transferred of record in stock book of said bank at time of gift."

The following statement appears under Schedule E of the return:

"The donee was employed and is now employed by the aforesaid bank and it was therefore given to him in order to secure his position and enhance his prospects for advancement."

The decedent's illness was definitely diagnosed as cancer on August 29, 1934. However, irrespective of the condition of the decedent's health, it is believed that the estate has overcome the presumption that this small transfer was made in contemplation of death and it is recommended that this transfer be excluded from the gross estate.

The decedent was domiciled in the State of California. He left surviving a widow and six or seven children. Four of the trusts were created in the year 1925 and one trust was created in the year 1930. All of the five trusts were in existence at date of death. In all five of the trust agreements the decedent's wife was named as one of the trustors. However, there was not any prior conveyance to the wife of any of the trust property and the widow informed the agent that she never inherited

(Defendant's Exhibit F)

any property and did not contribute any property to the trusts. In the estate tax return filed by the executrix the following statement appears:

“It is further contended that the interest retained by Catherine B. Ferry in the trusts hereinbefore

12—Estate of Peter Ferry

set forth was not transferred to her by decedent but represents the community property acquired by decedent and Catherine B. Ferry since their marriage.

* * * That it was necessary, and affiant, Catherine B. Ferry, did, join in the creating of these trusts, hereinbefore set forth and in so creating these instruments affiant received only that which was already her property pursuant to the laws of the State of California.”

It is contended in the estate's protest, and such contention was argued at the hearing, that the five trusts were made in pursuance of a property settlement agreement between the decedent and his wife. There has not been a scintilla of evidence submitted to substantiate such contention. The representatives of the estate give great weight to the fact that the wife joined as a trustor in all of the trust agreements and urge that she was a transferor of one-half of the property. The community interest of the wife in California (except as provided in section 161(a) of the Civil Code of California, which exception is not applicable here) is an expectancy, and while it may have been necessary for the wife to join in the trust so as to release her expectancy interest in community property, such a release and conveyance by the wife does not constitute a transfer to the trusts by the

(Defendant's Exhibit F)

wife for an adequate and full consideration in money or money's worth. In *Mercantile Trust Company v. Hellmich*, District Court of United States for the Eastern District of Missouri, C. B., June 1924, page 473, it was held that the joinder by the wife in a trust created by the husband, while an effective release of the wife's dower interest, did not constitute a conveyance by the wife for an adequate and full consideration in money or money's worth.

In *Fish v. Commissioner*, 27 B. T. A. 1002, affirmed by United States Court of Appeals for the District of Columbia, C. B., June 1925, page 392, a California case, involving transfers made by husband and wife jointly, the Board of Tax Appeals said:

"By joining in the conveyance in September 1924 Mrs. Fish relinquished her right to receive one-half of the community property upon the death of Mr. Fish, thereby effectively converting the community property into the separate property of the husband (*Paduweris v. Paris*, *supra*) who eo instanti made gifts of the same property to Mrs. Fish and their children. By

13—Estate of Peter Ferry

those gifts Mrs. Fish acquired an interest vesting in praesenti, instead of an interest vesting in futuro which she theretofore had. Her consent to the gifts was not the equivalent of a purchase of one-half of the property, but a relinquishment of her interest in the other half."

(Defendant's Exhibit F)

In affirming the decision of the Board of Tax Appeals in the Fish case, the court of appeals said:

"Exactly what interest a wife has in real estate during her husband's life under that and similar statutes in California has been much litigated in that State, and we find it difficult to ascertain from the cases to which we have been referred.

"From the later cases it appears to be an expectancy plus, but to what extent plus is not clear * * * but whatever else it may be, her community estate is certainly a statutory substitute for dower, and, consequently, falls within the expressed provisions of the taxing act controlling this matter. * * * For her signature to such a deed, a wife may—and she frequently does—exact a consideration, but there is no evidence in this record that Mrs. Fish did so, or that either she or her husband intended that her signature to the deed to their children should serve as a valuable consideration for the deed to herself."

Even if it should be shown satisfactorily that the wife actually exacted as a valuable consideration for the release of her community interest in the property of the decedent, the interest received by her as a beneficiary under the trust, the value of such consideration is not deductible from the value of the trust property in view of the provisions of section 804 of the Revenue Act of 1932 to the effect that the relinquishment of dower or a statutory estate created in lieu of dower, shall not to any extent be considered as a consideration in money or money's worth.

(Defendant's Exhibit F)

Section 2280 of the Civil Code of California provides as follows:

"A trust can not be revoked by the truster after its acceptance, actual or presumed, by the trustee and beneficiaries, unless the declaration of trust reserves

14—Estate of Peter Ferry

a power of revocation to the truster, and in that case the power must be strictly construed."

The power reserved by the decedent, with the consent and approval of his wife and a majority of the beneficiaries, to alter, amend or revoke the several trusts, is a right that the decedent would not have had under the local law if such power had not been specifically reserved.

It is further contended by the estate that if the decedent had obtained the consent of his wife and a majority of the beneficiaries and had revoked the trusts, the trust property would have then been owned by the decedent and wife as tenants in common, in view of the fact that the wife was named as one of the trustors.

Trust No. S-5869 provides that upon revocation the trust property "shall vest in and be conveyed, transferred and delivered, discharged of any trust, to the trustors, if they are both living, and if Peter L. Ferry alone of the trustors be living, then to him."

Trust No. 6204 provides "that upon such revocation taking effect that said trustors, or the survivor of them, shall take and accept the trust estate."

(Defendant's Exhibit F)

Trust No. SS-4358 and trust No. 1052 could not be revoked absolutely but could only be altered or amended or the beneficiaries changed.

Trust No. 2012 did not contain any provision for distribution upon revocation during decedent's lifetime.

If trusts Nos. 6204 and S-5869 had been revoked during the lifetime of the decedent, the property would have probably been owned by the decedent and wife as joint tenants as the provision for the property going to the survivor of the trustors would preclude the creation of a tenancy in common. Trusts Nos. SS-4358 and 1052 could not be revoked but could only be altered and amended and, therefore, no tenancy in common could result from any change. Therefore, as to four of the trusts the estate's contention as to the creation of a tenancy in common upon revocation, is not well founded.

15—Estate of Peter Ferry

Conceding for the sake of argument, but not admitting the estate's contention in this respect, the fact remains that the trusts which could have been revoked, were not revoked, and the wife did not acquire during decedent's lifetime a one-half vested interest as a tenant in common. Furthermore, the right to include the trusts in the gross estate does not depend entirely upon the reserved right of revocation. The rights reserved to change, alter and amend are alone sufficient to include the transfers under section 302(d) of the Act.

The entire amounts of trust No. 6204 and trust No. 1052 are includible under the provisions of article 15, Estate Tax Regulations 80, as amended by Treasury Decision 4729, as these trusts provided that the entire in-

(Defendant's Exhibit F)

come shall be payable to the trustors jointly during their lifetime and upon the death of either then to the survivor during his or her lifetime.

Mr. Luce, the attorney representing this estate, admits that one-half of all of the trusts is includible in the gross estate under the provisions of section 302(d), and as the decedent did not reserve more than one-sixth of the income from the other three trusts, it is not necessary to determine what portion of the other three trusts is includible under the provisions of section 803 of the Revenue Act of 1932.

As the trusts were created after the effective date of the Revenue Act of 1924 and the decedent reserved the power to alter, amend or revoke with the consent of less than all of the beneficiaries, the transfers were properly included in the gross estate in the 30-day letter, and no adjustment is recommended.

Deductions

	<u>Returned</u>	<u>Tentatively Determined</u>	<u>Proposed Determination</u>
Funeral expenses \$	611.14)		\$ 614.11
Executors' commis-			
sions	409.38)		409.38
Attorneys' fees	409.38)		500.00
Miscellaneous admin-	)	\$9,909.60	
istration expense	1,820.27)		1,820.27
Debts of decedent	10,876.01)		9,876.01

(Defendant's Exhibit F)

16—Estate of Peter Ferry

In the 30-day letter the deductions allowed for debts and charges of the estate were limited to the value of the probate assets. Item 1 of schedule I, representing a doctor's bill, is disallowed for the reason that the agent advised that this bill was paid by the decedent's son prior to the date of death and no evidence has been submitted to show that the son will file a claim for reimbursement.

Trust No. 6204 authorizes the trustee to pay any assessments of taxes which may be levied against the trustors and his or her property, expenses of last illness and funeral expenses of the trustors, and other expenses of every kind and nature expended or incurred in the management and protection of the trust property.

The largest item of debts is item 14, which represents a claim of Frank Diener in the sum of \$7,289.59, which was filed in the probate court and allowed by the court. This claim is made up of a long list of expenses incurred by Frank Diener in the operation of a ranch under instructions from the decedent. This ranch is included as an asset of trust No. 6204. It is believed that this claim is a lien on the trust assets and it is recommended that it be allowed as a deduction. If not allowable as a claim against the estate it should be considered as a reduction in the value of trust No. 6204.

The estate has paid the entire net tax as tentatively determined after allowance of credit for State estate, inheritance, legacy or succession taxes. The evidence in support of the credit claimed for such taxes has not yet been received. The entire net deficiency has been assessed pursuant to the several payments made. Accordingly, if the credit is allowed, there will be a small refund due to

(Defendant's Exhibit F)

the allowance of the deductions herein recommended and the elimination from the gross estate of the transfer of the First National Bank stock.

Mr. Luce stated that he proposed to contact the representatives of the estate and if they were agreeable to the proposition, he would submit by January 1, 1938, an offer to settle this case on the following basis:

(1) Estate to concede inclusion of all of the insurance.

(2) Estate to concede inclusion of three-fourths of the value of the five trusts.

(3) The Bureau to concede the allowance of all proper deductions.

17—Estate of Peter Ferry

Mr. Luce stated that in view of the large amount of tax involved he would like to have this case considered by the Committee in the event his offer is not acceptable.

In the opinion of the writer such an offer of settlement, if made, should not be accepted.

The estate's offer of settlement was received January 7, 1938.

Carl Palmer
C. Palmer, Conferee,
Adjustment Section.

Approved:

A. T. Cusack

~~A. M. Blaisdell,~~

Asst. Chief, Adjustment Section.

H. K. Melcher

H. K. Melcher,

Head, Estate Tax Division.

(Defendant's Exhibit F)

cc Collector
Agent

cc Claude I. Parker, Atty.,
808 Bank of America Bldg.
Los Angeles, California.

MT-ET-7738-6th California

Estate of Peter Ferry

Date of death—June 16, 1935

Catherine B. Ferry, Executrix,
3030 N. Chevy Chase,
Glendale, California.

Madam:

Reference is made to the claim on Form 843 filed on February 9, 1939, on behalf of the above-named estate for the refund of \$63,825.77, Federal estate tax paid, "or such greater amount as is legally refundable with interest." The claim involves two issues, first, as to whether the amount of \$32,561.48, representing proceeds of insurance payable to beneficiaries other than the estate in excess of the \$40,000.00 exemption, should be included in the gross estate of the decedent; and the other as to whether the amount of \$610,837.45, representing property transferred prior to the enactment of section 161(a) of the California Code, is includible in the gross estate to the extent of the entire corpus thereof on the basis of the terms of certain trust instruments.

With respect to the first issue you contend that the life insurance policies should not be taxed in full, but an allowance should be made of the claimed community interest stated to be vested in you. You rely on the case

(Defendant's Exhibit F)

of *Lang v. Commissioner*, 304 U. S. 264 (20 A.F.T.R. 1251) and the case of *Elizabeth C. McCoy, Administratrix*, 37 B. T. A. 114.

The Bureau has considered the cases cited and is of the opinion that they are not controlling in this case. It appears that all of the policies in this case were taken out by the decedent upon his own life. They were the usual standard form of policy, giving him legal incidents of ownership such as changing the beneficiary, assignment and the like. They thus come within the express wording of Article 25 of Estate Tax Regulations 80. ~~The Bureau's position in this case is supported by the decision of the court in the case of Newman v. Commissioner, 76 Fed. (2d) 449.~~

No evidence has been submitted showing that any part of the premiums was paid out of community funds.

2—Estate of Peter Ferry

With respect to the second issue you contend that the six trusts are taxable only to the extent of one-half because the establishment of the trusts amounted to a property settlement between the decedent and yourself, giving you a vested interest therein.

It appears that the corpus of all six of the trusts was acquired by the decedent during coverture prior to the enactment of section 161(a) of the California Civil Code giving the wife a vested interest in the community. Prior to the enactment of this section of the Code, the wife had a mere expectancy in the community. The rights of the husband were so complete that the husband was the owner of the community. *U. S. v. Robbins*, 269 U.S. 315. The fact that the wife became a cotrustor is there-

(Defendant's Exhibit F)

fore without significance or effect. She contributed nothing of her own and her participation was a mere formality.

It is contended that the legal effect of these trusts was to constitute the wife a tenant in common with her husband in the corpus thereof. There is nothing to indicate that the wife acquired any additional property or property rights by becoming a signatory to the trust instru-

It may be assumed without conceding that upon revocation of
ments. ~~Had~~ any of the trusts ~~been revoked~~, by the
by the terms of the instruments
terms of the instruments the corpus ~~^~~ would have become the property of the trustors, in which event ~~an~~
estate of a tenancy in common might have been created. However, none of the trusts was revoked during the decedent's lifetime.

The fact remains that the transfers were made by decedent after the enactment of the Rev. Act of 1924, and the

~~The~~ decedent ~~had~~ also reserved the power, to alter, revoke or amend the trusts, with the concurrence of certain ~~^~~ of the beneficiaries,

and such power was in existence at the date of decedent's death. The transfer therefor came within Sec. 302(d) of the Rev. Act of 1926.

Article 20(a), Regulations 80 (1937 Edition) provides that all trusts are subject to tax when the transfer was made after the enactment of the Revenue Act of 1924 and before the amendment of the subdivisions by the

(Defendant's Exhibit F)

Revenue Act of 1934 became effective, and the decedent's death occurred at any time subsequent to the transfer, with powers of revocation reserved to the decedent, alone or with others, having or not having a substantial adverse interest in such property.

The wife contributed nothing to the trusts. She had no interest in the trust property other than the life estate given her in certain of the trusts. The decedent reserved the power to alter, amend and revoke the trusts with the consent of others having substantial adverse interests in the property. Accordingly, the property, or corpus, of all six trusts is includible in the gross estate of the decedent.

3—Estate of Peter Ferry

On the basis of the foregoing, and since there does not appear to be an overpayment of Federal estate tax in this case, the claim filed on February 9, 1939, for the refund of \$63,825.77 is rejected in its entirety.

Respectfully,

Guy T. Helvering,
Commissioner.

By

D. S. Bliss,
Deputy Commissioner.

(Defendant's Exhibit F)

Los Angeles, Calif.

San Francisco, Calif.

Washington, D. C.

CLAUDE I. PARKER

Attorney at Law

937 Munsey Building

Washington, D. C.

National 5623

[Stamped]: Internal Revenue Miscellaneous Tax Unit
Feb 18 1938. Received Feb 19 1938 Appeals & Review
Sect. Received Feb. 19 1938 Estate Tax Division

February 18, 1938.

Hon. D. S. Bliss,

Deputy Commissioner of Internal Revenue,

Washington, D. C.

In re: Estate of Peter Ferry.

MT-ET-7738 6th California.

Sir:

On January 7, 1938, the undersigned, in behalf of the Estate, submitted an offer of settlement in the above matter. On January 22, 1938, your office issued a letter to the executors in my care, stating that the offer of settlement could not be accepted and proposed a deficiency of \$26,514.35 in estate tax, indicating however that there would be an overassessment of estate tax in the amount of \$1,796.47 when the proper proof of the payment of California State inheritance taxes was submitted.

Thereafter this proof was submitted and on February 5, 1938, your office notified me and the Executors that

(Defendant's Exhibit F)

a certificate of overassessment would be issued in due course.

The issue which this office proposed to settle in our letter of January 7, 1938, will, in our opinion, by reason of the law of the State of California, be finally decided by the Courts or the Board of Tax Appeals in our favor. This question involves the inclusion in the gross estate by your office of the entire corpus of several trusts. We offered to settle this issue, which was the main issue in the case, by agreeing that three-fourths of said corpus be included and only one-fourth thereof excluded from the gross estate.

In view of the legal features involved it is requested that this matter be considered by your Committee on Appeal and Review. Also we wish to refer in this matter to the case of *Ida P. Goodyear, Executrix of the Estate of W. E. Goodyear, Deceased, v. United States*, No. 7561-C, District Court of the United States for the Southern District of California, Central Division. We think that the memorandum decision of the Court in that case is most helpful in sustaining our position in the instant case.

Therefore, it is requested, as above, that this matter be reconsidered by your Committee on Appeal and Review and that the undersigned be granted the privilege of a conference by that Body.

Respectfully,

L. A. Luce.

(Defendant's Exhibit F)

February 21, 1938.

MT-DC-ET-7738-6th California

Estate of Peter Ferry

Date of death—June 16, 1935

[Written]: To Mar. 23 - 10 A. M. thru G. S. 3-8-38
L. A. Luce, Attorney,

Munsey Building,
Washington, D. C.

Sir:

In compliance with your request, a hearing has been tentatively arranged in the above-named case, to be held on March 15, 1938, at 10 a. m., in Room 6237, Internal Revenue Building, Twelfth Street and Constitution Avenue, Northwest, Washington, D. C. Any objection to this date should be made within ten days after the receipt of this notice. In the absence of objection, the tentative date will be deemed agreeable to you and the hearing scheduled accordingly. Should the executor, either in person or by his duly authorized attorney or agent, fail to appear on the date scheduled, the case will be disposed of on the record.

It is the policy of the Bureau to close all estate tax cases within one year from the date the return is filed. Accordingly, executors or their representatives granted a hearing should endeavor to conform to the Bureau's

(Defendant's Exhibit F)

schedule. It is customary to grant but one hearing in each case. After a hearing is scheduled, no postponement will be granted except in cases of unavoidable necessity. All evidence must be filed at least five days prior to the hearing. Additional time will be allowed in which to file supplemental briefs or additional evidence only in respect to an issue that could not reasonably have been anticipated prior to the hearing.

Attorneys and agents representing clients before the Bureau must be enrolled to practice before the Treasury Department, file a power of attorney and otherwise conform to the requirements of Department Circular 230 (Revised September 15, 1936).

In order that the work of the Bureau may proceed uninterruptedly, the schedule of its work must be conformed to with a minimum of variation therefrom. To this end the cooperation of taxpayers and their representatives is urgently solicited.

Respectfully,

(Signed) D. S. Bliss

D. S. Bliss,

Deputy Commissioner.

AGF

(Defendant's Exhibit F)

Claude I. Parker

Telephone

Ralph W. Smith

MIchigan 1451

Washington, D. C. Office

937 Munsey Building

PARKER AND SMITH

Attorneys and Counselors at Law

8th Floor Bank of America Building

650 South Spring Street

Los Angeles

January 12, 1940.

In Reply Refer to

J. Everett Blum.

Exhibit "A" Estate of Peter L. Ferry

Dist-6th Calif. Date of death 6-16-35

Mr. Nat Eddy

Internal Revenue Agent

12th Floor U. S. Post Office and Court House Bldg.

Los Angeles, California.

In re: Estate of Peter L. Ferry

Dear Mr. Eddy:

Confirming our conversation of today, I will have in your hands on or before January 26, 1940, the data necessary to support the claim that a portion of the premiums paid on the insurance policies listed in the Federal estate tax return filed herein were paid out of community property of Mr. and Mrs. Ferry, acquired after June, 1927.

Sincerely yours,

PARKER AND SMITH

By J. Everett Blum

JEB:F

(Defendant's Exhibit F)

STATEMENT OF PROTEST

WITH RESPECT TO

DEFICIENCY CLAIMED IN FEDERAL ESTATE
TAX PROPOSED TO BE ASSESSED AGAINST
CATHERINE B. FERRY, EXECUTRIX OF
THE ESTATE OF PETER FERRY, WHO DE-
CEASED JUNE 16, 1935; AND

STATEMENT OF PROTEST

WITH RESPECT TO PROPOSED ACTION ON
CLAIM FOR REFUND FILED BY EXECU-
TRIX OF THE AFORESAID ESTATE.

[Stamped]: Received Apr 4 1940 Internal Revenue
Agent in Charge Los Angeles Division

Los Angeles, California,
April 5, 1940.

Hon. Guy T. Helvering,
Commissioner of Internal Revenue,
Washington, D. C.,

Through the Office of the Internal Revenue Agent
in Charge,
Los Angeles, California.

Sir:

Receipt is acknowledged of your letter bearing date
February 20, 1940, carrying symbols MT-ET, bearing sig-
nature of George D. Martin, Internal Revenue Agent in
Charge, which letter authorizes taxpayer, if dissatisfied
with the tentative decision of the Commissioner of In-
ternal Revenue therein made, to file within a period of
thirty days her protest.

(Defendant's Exhibit F)

Receipt is also acknowledged of your letter bearing symbols above given, in which the time for filing said protest is extended for a period of fifteen days or, to wit, until the 5th day of April, 1940.

Protestant expresses her appreciation for the privilege of being permitted to register her dissatisfaction with the proposed determination of the Commissioner and for the extension granted within which to file this protest.

Protestant is dissatisfied with the proposed determination and assigns errors specifically as follows:

First: That the Commissioner has erred in increasing the gross estate by including therein certain trusts specifically set out in the Commissioner's letter of August 4, 1937.

Second: That the Commissioner erred in increasing valuations of items of insurance as set out in his said letter of August 4, 1937.

Third: That the Commissioner erred in refusing to allow the full amount of deductions shown in the Federal Estate Tax Return filed and in allowing only the amount of deductions to the extent of the value of the probate estate.

That with respect to "First" and "Third" all of the statements contained in protest dated October 29, 1937, and heretofore filed, protesting the determinations made in your letter of August 4, 1937, together with all of the allegations contained in claim for refund executed and dated on or about February 10, 1939, and filed on or about February 20, 1939, are herein realleged and incorporated as though fully set forth herein and thereby made a part hereof.

(Defendant's Exhibit F)

That in addition, your protestant refers to the case of Hill, 24 B.T.A. 1144, and the decisions of the California Courts therein cited.

That with respect to the second error herein assigned your petitioner alleges that the premiums paid for the insurance policies included in decedent's Federal Estate Tax Return and set forth in your letter of August 4, 1937, were paid for out of the community income of decedent and his wife acquired from and after July 29, 1927, and from the separate property of decedent and from the separate property of decedent's wife. That in that connection the facts are:

Decedent owned and operated a business known as Peter L. Ferry, which business carried on a street paving enterprise. That Peter L. Ferry carried on said business as the sole proprietor and as an individual. That the total value of all assets of the business on February 29, 1927 was not in excess of \$25,000.00. That the physical assets of the business play a very minor part in the income produced by said business and received by said decedent. That the major factor in producing income from said business was the experience in said business of Peter L. Ferry, his contacts in getting the business, and his ability to carry out the contracts, his reputation in the business and his personal skill.

That all of the income derived by said Peter L. Ferry from the street paving and contracting business should be assigned to his personal services and none thereof to the physical assets of the business.

The said Peter L. Ferry and his wife carried a joint bank account at all times herein material, into which were deposited the community earnings of Peter L. Ferry and

(Defendant's Exhibit F)

his wife, the separate earnings of his wife, and his own separate income. That from said joint bank account were paid all of the bills of decedent and his wife. That the amount of money in said bank account on August 1, 1927 was \$5,650.23.

That for the year 1928 Mrs. Peter L. Ferry filed a separate income tax return showing thereon income of \$22,474.71. That Peter L. Ferry filed a separate income tax return for the year 1928 showing income thereon of \$31,068.38.

For the year 1929 Mrs. Peter L. Ferry filed separate income tax return, showing income of \$7,408.55, and Peter L. Ferry filed separate income tax return for said year showing income of \$11,755.11.

That for the year 1930 Mrs. Peter L. Ferry filed separate income tax return showing income of \$10,388.50, and Peter L. Ferry filed separate income tax return for said year, showing income of \$10,422.12.

For the year 1931 Mrs. Peter L. Ferry filed separate income tax return showing income of \$6,167.30, and Peter L. Ferry filed separate income tax return showing income of \$78.95.

For the year 1932 Mrs. Peter L. Ferry filed separate income tax return showing income of \$5,618.63, and for said year Peter L. Ferry filed separate income tax return showing loss of \$219.15.

For the year 1933 Mrs. Peter L. Ferry filed separate income tax return showing a loss of \$709.03, and Peter L. Ferry filed separate income tax return for said year showing income of \$2,026.40.

(Defendant's Exhibit F)

For the year 1934 Peter L. Ferry and Mrs. Peter L. Ferry filed a joint return showing a loss of \$24,702.20.

For the year 1935 separate returns were filed by Mrs. Peter L. Ferry and Peter L. Ferry. That the return of Peter L. Ferry showed a loss of \$32,714.90. That the copy of the return of Mrs. Peter L. Ferry for the year 1935 has not been located, although diligent search has been made therefor, and the figures thereon can not at this time, therefore, be given.

That during the time in which the Commissioner of Internal Revenue would not allow a division of California community income to be divided between a husband and wife, decedent included in his return all of the community income. However, from records of said decedent, protestant is informed and believes and therefore alleges that decedent filed claims for refund with respect thereto, but decedent has no information upon which to base an allegation as to the outcome thereof and therefore respectfully directs your attention to the records of the Commissioner of Internal Revenue with respect to the action taken by the Commissioner on said claim or claims for refund. Protestant assumes that copies of decedent's and Mrs. Peter L. Ferry's income tax returns are available to the examining officer, but will be glad to show taxpayer's retained copies of the income tax returns referred to herein to the examining officer.

Premiums were paid on the insurance policies from the bank account of decedent and his wife in the American National Bank of Glendale, California, and the First National Bank of Glendale. That your protestant will furnish to the examining officer a statement of the payment of premiums on each of the insurance policies upon his re-

(Defendant's Exhibit F)

quest, showing payment of premiums from and after July 29, 1927 to the date of decedent's death.

From the foregoing, your protestant alleges that a sum greatly in excess of the amount claimed in the Federal Estate Tax Return should be excluded from the gross amount of insurance payable by reason of the death of said decedent. That your protestant is desirous of cooperating fully with your office and will attempt to furnish such additional information as your examining officer may deem necessary, in so far as her ability will provide.

In conclusion, your protestant submits that only one-half of the corpus of the said trusts should have been included in decedent's gross estate; that a sum greatly in excess of that claimed in the Federal Estate Tax Return should have been excluded from the insurance payable by reason of decedent's death; that the deductions taken by the estate of decedent should have been allowed in full and should not have been limited to the amount of debts and deductions payable out of said probate estate.

Protestant assumes that with the additional certificate showing the total amount of inheritance tax paid or payable to the State of California, that the alleged deficiency shown in your letter of February 20, 1940 will be eliminated.

From the foregoing, therefore, it is urgently requested that reconsideration be made by your office with respect to the proposed determinations incorporated in your letter of August 4, 1937, and the proposed determinations reported

(Defendant's Exhibit F)

in your letter of February 20, 1940, and that a statement of protest of protestant dated October 29, 1937, and the claim for refund heretofore filed herein, and this protest be given your deep consideration and that upon such reconsideration in the light of the foregoing, protestant's claim be allowed.

Protestant desires an oral hearing.

Respectfully submitted,

CATHERINE B. FERRY,

Catherine B. Ferry

Executrix of the Estate of Peter Ferry, Deceased.

Claude I. Parker

CLAUDE I. PARKER

Ralph W. Smith

RALPH W. SMITH

J. Everett Blum

J. EVERETT BLUM

808 Bank of America Building,

Los Angeles, California,

Attorneys for Exêcutrix of said Estate.

Of Counsel:

L. A. Luce

L. A. LUCE

937 Munsey Building,

Washington, D. C.

(Defendant's Exhibit F)

State of California

County of Los Angeles—ss.

Catherine B. Ferry, being first duly sworn, deposes and says: that she is the duly appointed, qualified and acting Executrix of the Estate of Peter L. Ferry, deceased, and is the taxpayer named in the foregoing Statement of Protest and that she has read the said protest and knows the contents thereof; and that the same is true of her own knowledge, except as to the matters which are therein stated upon her information and belief, and as to those matters that she believes it to be true.

Catherine B. Ferry.

Subscribed and sworn to before me this 5th day of April, 1940.

Verna Frantz

Notary Public in and for the County of
Los Angeles, State of California.

CERTIFICATE

I hereby certify that the foregoing protest was prepared by me for and on behalf of taxpayer; that the facts recited in said protest are the exact facts as given to me by the taxpayer and to the best of my knowledge and belief are true and correct.

Dated at Los Angeles, California, this 5th day of April, 1940.

J. Everett Blum
With CLAUDE I. PARKER AND
RALPH W. SMITH
808 Bank of America Building,
Los Angeles. California.

(Defendant's Exhibit F)

Los Angeles, California

May 27, 1940

[Stamped]: Received May 28 1940 Internal Revenue
Agent in Charge Los Angeles Division

Internal Revenue Agent in Charge,
Los Angeles, California.

In re: Estate of Peter Ferry

Name of taxpayer

808 Bank of America Bldg.

Address of taxpayer

MT-ET-6th Calif.

~~Year(s) involved~~

In the absence of an agreement with your office as to my tax liability, it is requested that the above case be referred for a hearing before the Los Angeles office of the Pacific Division of the Technical Staff. It is understood that the Technical Staff will not consider substantial issues or important evidence which have not been previously presented to your office.

J. Everett Blum

Signature (taxpayer or enrolled attorney)

808 Bank of America Bldg.

Address (taxpayer or enrolled attorney)

(Defendant's Exhibit F)

Estate Tax Recharge Slip

Estate of Ferry

District of 6 Cal

File No. 7738

Date 9-10

Recharge

From FB

To Tech Staff
for post review

131M

MT-ET-7738-6th California

Estate of Peter Ferry

Date of Death—June 16, 1935

Sep 11 1940

Memorandum for:

Mr. A. R. Marrs,
Head, Technical Staff.

The administrative file of the above-named estate is forwarded herewith for post review. When the review is completed, please return the file to this office.

(Signed) D. S. Bliss
D. S. Bliss,
Deputy Commissioner.

Incl. 13091

FB

(Defendant's Exhibit F)

MT-ET-7738-6th California

Estate of Peter Ferry

Date of Death—June 16, 1935

Sep 11 1940

Memorandum for :

Mr. A. R. Marrs,
Head, Technical Staff.

The administrative file of the above-named estate is forwarded herewith for post review. When the review is completed, please return the file to this office.

D. S. Bliss
D. S. Bliss,
Deputy Commissioner.

Incl. 13091

[Stamped]: Received Sep 11 1940 Technical Staff

(Defendant's Exhibit F)

Mr. Storz

Attention: F G W

Kindly value trusts under Schedule E in accordance with the attached appraisal of Preston H. Leslie and return the case to

GCW

Valued 7-12-37

FGW

Peter L. Ferry

T. G. & T. Co. Trust S-1080

As at June 16, 1935

Cash	.01
------	-----

Real Estate

Tract 6699

L 20	\$550.00
L 21	450.00
L 22	450.00
L 23	450.00
L 24	450.00
L 25	450.00
L 26	450.00
L 27	450.00
L 28	450.00
L 29	450.00
L 30	450.00
L 31	450.00

(Defendant's Exhibit F)

L 32	450.00
L 33	450.00
L 34	1400.00
L 35	400.00
L 36	400.00
L 63	600.00
L 64	500.00
L 65	375.00
L 66	400.00
L 67	200.00
L 68	125.00
L 69	250.00
L 70	400.00
L 71	500.00
10.9 Ac. — as per desc.	15000.00
Total	<u>\$26950.01</u>

All property clear

Interest of decedent and

Catherine D. Ferry — as J/T (10%) \$2695.00

Statement of Assets in Trust S-1080

As of June 16, 1935, Date of Death of Peter L. Ferry

Lots 20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-
63-64-65-66-67-68-69-70-71 All in Tract 6699 —
Unsold

(Defendant's Exhibit F)

10.90 acs (Ex of R/W's) Com. at SW corner of Tract 6699, Th NW to most West corner said Tract, Th S 89° 50' 40" E to W line of Exchange St., Th N 284.77' Th S 66° 45' W 310.25' Th N 23° 15' W 185', Th S 66° 45' W to E line of Griffith Park, Th S E along said line to SW corner West Glendale, Th E 436.62' to beginning.

Summary

Cash on hand — Principal	\$ 6,647.78
Cash on hand — Income	1,749.56
	<hr/>
Total Cash	\$ 8,397.34
Secured Promissory Notes	103,754.84
Participation Certificates	14,435.00
Street Improvement Bonds	434.48
	<hr/>
Total Assets held at June 16, 1935	\$127,021.66
Interest accrued to June 16, 1935	938.53
	<hr/>
Total	\$127,960.19
	<hr/> <hr/>
Total	\$126,628.85

- 6 -

PETER L. FERRY AND CATHERINE B. FERRY

ASSETS HELD BY TITLE GUARANTEE AND TRUST COMPANY

TRUSTEE UNDER TRUST P-1052

June 16, 1935

6.0000 CASH - Principal
Income

Total Cash

SECURED PROMISSORY NOTES

- 1
Note dated June 15, 1934 for \$2,500.00 made by Walter M. Barley, Jr. and Elvira Barley, due June 15, 1937 with interest at 6% payable \$25.00 including principal and interest on the 15th day of each month. Said note is secured by a Trust Deed dated June 15, 1934, recorded in Book 12850, Page 303 of Official Records and covering the South 50' of the West 157.62' of Lot 139, Romona Acres Plat No. 2, as recorded in Book 11, Page 50 of Maps, in the office of the County Recorder, County of Los Angeles, California

Balance due on principal
Accrued interest 6/15 to 6/16/35 @ 6%

- 2
Note dated February 15, 1934 for \$3,500.00 made by Mary M. Bradford and S. Case Bradford, due February 15, 1937 with interest until maturity at 7% payable quarterly; principal payable \$500.00 February 15, 1935 and 1936. Said note is secured by a Trust Deed dated February 14, 1934, recorded in Book 12673, Page 7 of Official Records and covering a portion of Lots 4 and 5 of the Hardison Tract as per map recorded in Book 7, Page 170 of Maps in the office of the County Recorder of Los Angeles County, State of California

Balance due on principal
Accrued interest 2/15 to 6/16/35 @ 7%

- 4
Note dated July 1, 1932 for \$1,600.00 made by Lou Ellen Callahan and Lee Callahan, due July 1, 1935 with interest until maturity at 7% payable quarterly. Said note is secured by a Trust Deed dated July 1, 1932, recorded in Book 11758, Page 13 of Official Records and covering Lot 260 of Tract No. 1615, as per map recorded in Book 20, Page 104 of Maps in the office of the County Recorder of Los Angeles County, State of California

Balance due on principal
Accrued interest 4/1 to 6/16/35 @ 7%

Note dated November 21, 1934 for \$1,936.93 made by Mary Alice Colestock and Grace E. Colestock on November 21, 1934 with interest at 6% payable \$7.00 including principal and interest on the 1st day of each month. Said note is secured by a Trust deed dated November 21, 1934, recorded in Book 1338, Page 37 of Official Records and covering Lot 14 of Tract No. 7915 as per map recorded in Book 38, Page 15 and 17 of maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 7/1 to 6/15/35

Note dated November 1, 1931 for \$1,000.00 made by William J. DeFord and November 1, 1934 and extended to November 1, 1935, with interest at 7% payable quarterly. Said note is secured by a Trust deed dated November 1, 1931, recorded in Book 1111, Page 307 of Official Records and covering Lot 17 of the Peterson Tract as per map recorded in Book 18, Page 113 of maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 7/1 to 6/15/35

Note dated July 1, 1931 for \$4,000.00 made by F. J. DeFord and William J. DeFord with interest at 7% payable \$60.00 including principal and interest on the 1st day of each month. Said note is secured by a Trust deed dated July 1, 1931 filed July 1, 1931 in the office of the Registrar of Titles and covering Lot 26, Tract No. 6800 as per map recorded in Book 70, Page 11 of maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 7/1 to 6/15/35

Note dated December 1, 1933 for \$2,500.00 made by Frederick J. DeFord and Margaret DeFord and December 1, 1936 with interest until maturity at 6% payable quarterly. Said note is secured by a Trust deed dated December 1, 1933, recorded in Book 1344, Page 357 of Official Records and covering Lot 13, Tract No. 324 as per map recorded in Book 18, Page 123 of maps in the office of the County Recorder of the County of Los Angeles, California.

Unpaid balance
Accrued interest 6/1 to 6/16 - 62.

9
Note dated January 1, 1931 for \$1,095.21 made by Jack Emmott and Annie Emmott with interest at 7% payable \$15.00 including principal and interest on the 15th day of each month. Said note is secured by a Trust Deed recorded in Book 10514, Page 305 of Official Records and covering Lot 198 of the Durley Park Tract as per map recorded in Book 20, Pages 94 and 95 of Maps in the office of the County Recorder of Los Angeles County

Balance due on principal
Accrued interest 5/15 to 6/16/35 @ 7%

10
Note dated July 8, 1932 for \$1,800.00 made by William C. Goetz and Mae A. Goetz due July 8, 1935 with interest until maturity at 7% payable quarterly. Said note is secured by a Trust Deed dated July 8, 1932 recorded in Book 11609, Page 157 of Official Records and covering Lots 21 and 22, Block 1, Tract No. 4307 as per map recorded in Book 47, Page 44 of Maps in the office of the County Recorder of Los Angeles, California

Balance due on principal
Accrued interest 4/8 to 6/16/35 @ 7%

11
Note dated May 5, 1932 for \$2,000.00 made by William E. Halstead and Lissie E. Halstead due May 5, 1935 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated May 5, 1932, recorded in Book 11673, Page 109 of Official Records and covering Lot 44, Tract 393 as per map recorded in Book 14, Page 154 of Maps in the office of the County Recorder of Los Angeles, California

Balance due on principal
Accrued interest 5/5 to 6/16/35 @ 7%

12
Note dated May 5, 1932 for \$500.00 made by William E. Halstead and Lissie W. Halstead due May 5, 1935 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated May 5, 1932, recorded in Book 11673, Page 109 of Official Records and covering Lot 44, Tract No. 393 as per map recorded in Book 14, Page 154 of Maps in the office of the County Recorder of Los Angeles, California

Balance due on principal
Accrued interest 5/5 to 6/16/35 @ 7%

Note dated January 1, 1931 for \$1,725.17 made by Sadies G. Selby and Bertrude L. Selby with interest at 7% payable .25.00 including principal and interest on the first day of each month. Said note was later assumed by Bertha Hanford and is secured by a Trust Deed dated January 1, 1931, recorded in Book 10500, Page 241 of Official Records and covering Lot 10, Serra Vista Annex as per map recorded in Book 7, Page 181 of Maps in the office of the County Recorder of Los Angeles, California

Balance due on principal
Accrued interest 6/1 to 6/16/35 7%

1,20

Note dated February 18, 1934 for \$2,400.00 made by Jack Henry due February 18, 1937 with interest at 7% payable .75.00 including principal and interest on the 15th day of each month. Said note is secured by a Trust Deed dated February 18, 1934, recorded in Book 12671, Page 75 of Official Records covering Lot 24, Block 12, Palisades Sheet No. 4, as per map recorded in Book 2, Page 142 of Maps in the office of the County Recorder of Los Angeles, California

balance due on principal
Accrued interest 6/18 to 6/16/35 7%

1,38

Note dated June 20, 1932 for \$16,000.00 made by Deane Dewey due June 20, 1935 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated June 20, 1932, recorded in Book 11626, Page 271 of Official Records and covering Lot 21, Block C, Wilshire Blvd. Heights Tract, as per map recorded in Book 6, Page 47 of Maps, in the office of the County Recorder of Los Angeles, California.

Said note is further secured by a Chattel Mortgage covering certain personal property, dated June 20, 1932 and recorded June 23, 1932 in Book 11600, Page 336 of Official Records in the County of Los Angeles, California

Unpaid balance
Accrued interest paid at time of purchase

16,000

23

16,023

Accrued interest on \$16,000. 3/20 to 6/16/35 7%

26

Note dated October 1, 1934 for \$10,000.00 made by Dean Hoover and Anne Hoover due October 1, 1937 with interest at 6% payable quarterly, together with principal payment of \$600.00 on October 1, 1935 and October 1, 1936. Said note is secured by a Trust Deed dated October 1, 1934, recorded in Book 13231, Page 139 of Official Records and covering Lot 29, Section 17 of Subdivision No. 1 of the property of the Porter Land and Water Company as per map recorded in Book 31, Page 3 et seq. of Miscellaneous Records of Los Angeles County, State of California

Unpaid balance
Accrued interest 4/1 to 6/16/35 @ 6%

10,0
1

Note dated January 26, 1935 for \$3,780.00 made by Caswell L. Hudson and Margaret Louise Hudson due January 26, 1938, with interest at 6% payable quarterly. Said note is secured by a Trust Deed dated January 26, 1935 and recorded June 8, 1935 covering Lots 13 and 14, Block 2, Tract No. 1351 in the City of Santa Monica, County of Los Angeles, State of California as per map recorded in Book 181 Page 116 of Maps in the office of the County Recorder of said County.

Balance due on principal
Accrued interest 4/26 to 6/16/35 @ 6%

3,7

Note dated July 10, 1934 for \$2,000.00 made by Carita Cope Kerr due July 10, 1937 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated July 10, 1934, recorded in Book 13231, Page 71 of Official Records and covering the following:

PARCEL 1 Lot 117, Tract No. 2824, City of San Fernando as per map recorded in Book 28, Pages 36 and 37 of Maps in the Office of the County Recorder of Los Angeles, California.

PARCEL 2 Lots 27 and 28, Tract No. 6432, City of Los Angeles as per map recorded in book 74, Page 63 of Maps in the office of the County Recorder of Los Angeles, California

Unpaid balance
Accrued interest 4/10/ to 6/16/35 @ 7%

2,0

Note dated October 15, 1932 for \$3,000.00 made by Michael Kraus and Frances Kraus due October 15, 1935 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated October 15, 1932, recorded in Book 11837, Page 273 of Official Records and covering the East $\frac{1}{2}$ of the N. W. $\frac{1}{4}$ of the S.W. $\frac{1}{4}$ of the N.W. $\frac{1}{4}$ of Section 36, Twp. 2 North Range 13 West S.B.B.M. in the County of Los Angeles, California.

Unpaid balance

Accrued interest 4/15 to 6/16/35 @ 5%

Note dated March 29, 1934 for \$1,000.00 made by Clara L. Little due March 29, 1937 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated March 29, 1934, recorded in Book 12723, Page 97 of Official Records and covering Lot 29 of Lemon Grove Tract as per map recorded in Book 5, Page 164 of maps in the office of the County Recorder of Los Angeles, California.

Unpaid balance

Accrued interest 4/29 to 6/16/35 @ 7%

Note dated September 2, 1934 for \$2,000.00 made by Linda Weiss and Vera L. Rogers due September 2, 1937 with interest at 7% payable quarterly, together with a \$50.00 payment on principal at each interest payment date. Said note is secured by a Trust Deed dated September 2, 1934, recorded in Book 13071, Page 31 of Official Records and covering Lot 31, Block 17 of the Hermosa Beach Tract recorded in Book 41, Page 25 and 26 of maps in the office of the County Recorder of Los Angeles, California.

Unpaid balance

Accrued interest 9/2 to 6/16/35 @ 7%

Note dated January 1, 1932 for \$1,800.00 made by Linta W. Martin and Eugene W. Martin due January 1, 1935 with interest at 7% payable quarterly commencing April 23, 1932. Said note is secured by a Trust Deed dated January 1, 1932, recorded in Book 11734, Page 243 of Official Records and covering the Aly 40' of Block 24, Tract No. 3764 as per map recorded in Book 41, Page 55 of maps in the office of the County Recorder of Los Angeles, California.

Unpaid balance

Accrued interest 1/23 to 6/16/35 @ 6%

6 4-24 Note dated June 1, 1932 for \$1,500.00 due June 1, 1935 with interest at 7% payable quarterly, and note dated June 1, 1932 for \$500.00 with interest at 7% payable monthly plus \$30.00 on principal; both made by Joseph Wendlen and Rebecca Wendlen. Said notes are secured by a Trust Deed dated June 1, 1932, recorded in Book 11588, Page 247 of Official Records and covering Lot 22, Block "A" Strong and Dickinson's Central Park Tract as per map recorded in Book 6, Page 81 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 3/15 to 6/16/35 @ 7%

25 Note dated January 22, 1932 for \$8,000.00 made by Charles A. Page and Marietta A. Page due \$400.00 on or before January 22, 1934 and the balance on or before January 22, 1935 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated January 22, 1932, recorded in Book 11321, Page 327 of Official Records and covering Lot 1 of Tract No. 8072 as per map recorded in book 98, Pages 14 and 15 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 1/24 to 6/16/35 @ 7%

26 Note dated February 15, 1935 for \$4,500.00 made by Ella M. Fann with interest at 6% payable quarterly for one year and thereafter principal and interest payable in installments of \$50.00 or more on the 15th day of each month beginning on the 15th day of March 1936 and continuing until January 15, 1938, at which date the entire unpaid balance of principal and interest shall be due and payable. Said note is secured by a Trust Deed dated February 15, 1935, recorded in Book 13309, Page 85 of Official Records and covering Lot 18, Block "B", Wilshire Blvd. Heights Tract as per map recorded in Book 6, Page 47 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 1/1 to 6/16/35 @ 6%

1.-27 Note dated May 24, 1933 for \$3,000.00 made by William W. Robinson and Irene B. Robinson with interest at 6% payable quarterly, and principal payable \$500.00 on or before May 24, 1934, and balance of principal and interest due on or before May 24, 1935. Said note is secured by a Trust Deed dated May 23, 1933, recorded in Book 12049, Page 379 of Official Records and covering the Nly 40' of the Sly 50' of Lot 340 of Tract No. 4416 as per map recorded in Book 48, Page 81 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 5/24 to 6/16/35 @ 6%

Note dated August 15, 1932 for \$2,750.00 made by Peter Rudnitsky with interest at 7% per annum, principal and interest payable in installments of \$25.00 or more on the 5th day of each month until paid. Said note is secured by a Trust Deed dated August 15, 1932, recorded in Book 11797, Page 151 of Official Records and covering Lot 2 of Fremont Heights Tract being a subdivision of a portion of Lots 3 and 4 in Block 73 of Hancock's Survey as per map recorded in Book 5, Page 109 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 5/5 to 6/16/35 @ 7%
(less \$9.81 paid on account)

29 Note dated May 15, 1935 for \$5,000.00 made by Kate E. Shivers with interest at 6%, principal and interest payable in installments of \$50.00 or more on the 15th day of each month until April 15, 1938, the entire balance of principal and interest being due on May 15, 1938. Said note is secured by a Trust Deed dated May 15, 1935, recorded in Book 13440, Page 177 of Official Records and covering Lot 13 of Brotherton Place Tract as per map recorded in Book 7, Page 176 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 6/15 to 6/16/35 @ 6%

-30 Note dated January 15, 1935 for 9,000.00 made by Ben. D. Spencer with interest at 7% principal and interest; payable in installments of \$90.00 or more on the 15th day of each month until December 15, 1937; the entire balance of principal and interest payable on January 15, 1938. Said note is secured by a Trust Deed dated January 15, 1935, recorded in Book 13280, Page 15 of Official Records and covering Lot 4, Block "C" of the Bonnie Brae Tract as per map recorded in Book 9, Page 85 of Miscellaneous Records of the County of Los Angeles, California.

Balance due on principal
Accrued interest 6/15 to 6/16/35 @ 7%

8.81

/ Note dated October 15, 1934 for \$850.00 made by Francis J. Stewart and Frances S. Stewart with interest at 7%; principal and interest payable in installments of \$10.00 or more on the 15th day of each month until October 15, 1937 at which time the entire unpaid balance of principal and interest are payable. Said note is secured by a Trust Deed dated October 15, 1934, recorded in Book 13099, Page 49 of Official Records and covering Lot 27, Newton Tract as per map recorded in Book 9, Page 179 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 5/15 to 6/16/35 @ 7%

81

2- Note dated June 7, 1935 for \$2,113.40 made by John W. Taber with interest at 6%; principal and interest payable in installments of \$30.00 or more on the 7th day of each month until May 7, 1938; the entire balance of principal and interest being payable on June 7, 1938. Said note is secured by a Trust Deed dated June 5, 1935, recorded in Book 13378, Page 385 of Official Records and covering Lot 10, Block "A" of Tract No. 80 as per map recorded in Book 13, Pages 114 and 115 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 6/7 to 6/16/35 @ 6%

2,113.40

33 Note dated October 1, 1934 for \$4,000.00 made by Frank R. Thomas and Claire V. Thomas due October 1, 1937 with interest at 6% payable monthly. Said note is secured by a Trust Deed dated October 1, 1934, recorded in Book 13120, Page 193 of Official Records and covering Lot 4, Littleton Tract as per map recorded in Book 16, Page 129 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 6/1 to 6/16/35 @ 6%

34 Note dated August 12, 1934 for \$4,000.00 made by Edna Whitten with interest at 7% payable quarterly; principal payable in installments of \$20.00 or more on the 12th day of each month until August 12, 1937 at which date the entire balance of principal and interest are payable. Said note is secured by a Trust Deed dated August 12, 1934, recorded in Book 12890, Page 241 of Official Records and covering Lot 20, Wly 2' Lot 18 in Block 4, Downey Tract as per map recorded in Book 6, Page 427 of Miscellaneous Records of the County of Los Angeles, California.

Balance due on principal
Accrued interest 5/12 to 6/12/35 on \$3,820;
6/12 to 6/16/35 on \$3,800.00 @ 7%

PARTICIPATION CERTIFICATES

35 Part of a note dated August 25, 1934 made by L. L. Truitt and Adele Truitt due May 25, 1937 with interest at 6% payable quarterly. Said note is secured by a Trust Deed dated August 25, 1934, recorded in Book 13014, Page 185 of Official Records and covering Lot 9, Block 59, Town of Glendale as per map recorded in Book 21, Page 96 of Miscellaneous Records of the County of Los Angeles, California.

Balance due on principal
Accrued interest 5/25 to 6/16/35 @ 6%

Part of a note dated April 15, 1935 for \$6,000.00 made by Ernest G. Thomas and Frida M. Thomas due April 15, 1938 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated April 15, 1935, recorded in Book 13396, Page 153 of Official Records and covering a portion of Lot 25 of Watt's Subdivision, part of Rancho San Rafael as per map recorded in Book 5, Page 200 of Miscellaneous Records of the County of Los Angeles, California.

Balance due on principal
Accrued interest 4/15 to 6/16 @ 7%

80

Part of a note dated September 21, 1928 for \$20,000.00 made by John Maltman and Matilda S. Maltman due Sept. 21, 1931 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated September 21, 1928, recorded in Book 8858, Page 43 of Official Records and covering Lots 13 and 14, Block 2, Tract No. 7555 as per map recorded in Book 80, Pages 51, 52 and 53 of Maps in the office of the County Recorder of Los Angeles, California.

Balance due on principal
Accrued interest 3/21 to 6/16/35 @ 7%

3,000
4

Part of a note dated June 15, 1932 for \$15,000.00 made by Roy L. Kent and Elizabeth L. Kent due April 20, 1935 with interest at 7% payable quarterly. Said note is secured by a Trust Deed dated June 15, 1932, recorded in Book 11696, Page 83 of Official Records and covering Lot 8, Block 63 of Campbell and Thompson Tract as per map recorded in Book 9, Page 56 of Maps in the office of the County Recorder of the County of Los Angeles, California.

Balance due on principal
Accrued interest 1/20 to 6/16/35 @ 7%

560
11

STREET IMPROVEMENT BONDS

City of Glendale, Series 3, San Fernando Street, Bond #2 and #3

6

City of Glendale, Series 1, Pacific, Gilbert and Gsell Streets, Bond #15

3

City of Glendale, Series 1, Thompson, Irving, etc. Streets, Bond #4

2 City of Glendale, Series 1, Patterson, Fairmont, etc. Streets, Bond 1-2-5-6-7-9-10-14-17-18-40-46

33

TRUST DEED NOTES
FERRY ESTATE - TRUST No. SS-4358

Value
6/16/35

<u>Description</u>	<u>Balance Due</u>
\$1,425. Trust Deed Note of John Panko, present owner	\$ 135.00
Mary Kotadka, dated 12/10/27, due 12/10/32, extended to 12/10/35, interest at 7%, payable monthly, to 6/10/35.	
\$1,800.00 Trust Deed Note of Samuel & Anna Zimmerman, dated 1/18/28, due 1/18/33, extended to 1/18/36 with interest at 7%, payable monthly. Int. paid to 5/18/35.	314.00
\$2,500.00 Trust Deed Note of Frances L. George & Nettie E. Boltz, dated 1/20/30, due 2/2/33, extended to 2/2/36, with interest at 7%, payable quarterly. Int. to 6/2/35.	2,222.25
\$2,000.00 Trust Deed note of John Soley, Rosa Soley, & Jennie Santilla, present owner Joseph & Mary Agrusa, Sebastian & Josephine DeMaggio, dated 1/28/30, due 2/28/33, extended to 1/28/36, with interest at 7%, payable quarterly. Int. to 4/28/35.	1,025.00
\$2,600.00 Trust Deed note of Lawrence R. & Annabelle M. Taylor, dated 8/5/31, due 6/3/34 with interest at 7%, payable quarterly. Interest to 6/3/35.	2,335.50
\$6,000.00 Trust Deed Note of Amy L. Cogswell, Golda C. & Syril Tipton, dated 1/16/32, due 1/16/33, extended to 1/16/36, with interest at 7%, payable quarterly. Interest paid to 4/16/35.	5,500.00
\$7,500.00 Trust Deed Note of L. A. Weiss & Molly Weiss, dated 4/4/32, due 4/4/35, extended to 4/4/37, with interest at 7%, payable quarterly. Interest paid. to 5/3/35.	7,000.00
\$2,000.00 Trust Deed Note of Arch & Artie Moore, dated 2/22/33, due 11/22/33, extended to 11/22/34 with interest at 7%, payable quarterly. Interest paid to 2/22/35.	2,000.00
\$1,500.00 Trust Deed Note of Anna Kathryn McAllister, dated 7/12/33, due 8/1/36 with interest at 7%, payable monthly. Interest paid to 6/1/35.	1,060.00
\$4,200.00 Trust Deed Note of J. H. & Mary Belle De La Monte, dated 4/30/32, due 1/31/35, extended to 1/31/36 with interest at 7%, payable quarterly; interest paid to 1/31/35.	3,200.00

FERRY ESTATE - TRUST No. SS-4358

Description

Balance Due

Valu
6/16/

\$4,250.00 Trust Deed Note of Mary B. Williams, dated 12/19/34, due 2/11/38, with interest at 7% payable monthly. Interest paid to 6/11/35. \$3,800.00

\$2,700.00 Trust Deed Note of Carver Investment Co., dated 6/20/32, due 6/20/35 with interest at 7%, payable quarterly. Interest paid to 3/20/35. 2,700.00

Participation Certificates issued by Security-First National Bank of Los Angeles, or its predecessors pursuant to Section 104 of the California Bank Act:

Series No.	Maker of Note	Rate	Interest Paid to	Princ. Balance	Val 6/
6800/20	Aiken, F.M., et al	6½%	9/22/34	\$6,400.00	
6800/45	Serrano Corporation	6½%	11/21/34	3,000.00	
6800/110	" "	6½%	6/6/35	1,000.00	
			2½%		
6800/125	Arroyo Seco Bldg. Co.	6	5/25/35	500.00	
6800/161	Eddie Schmidt, Inc.	6	6/1/35	3,329.73	
6800/162	Tittmann, Eugene G.	5½	5/27/35	4,029.27	
6800/182	First Christian Church	6½	5/15/35	472.97	
6800/207	Nesa Bernard, Jr.	6½	4/2/35	300.00	
6800/210	McCann, Mary A.	6½	default	1,000.00	
6800/215	Wilshire Lodge Bldg. Corp.	2½	6/25/34	500.00	
6800/314	Chapman Bros. Co.	5	9/1/34	500.00	

Underlying Security foreclosed or Deed taken in lieu of foreclosure:

6800/13	Income Properties Corp.	7	default	500.00
6800/171	Bradbury Estate Co.	6½	"	6,683.91
6800/214	Swensen, Helen Murray	6½	"	1,000.00

TOTAL ASSETS OTHER THAN CASH:

Balance Income	\$ 209.27
Uninvested Principal	<u>1,154.09</u>

The estate of Peter L. Ferry is entitled to 1/3 of the above net income or \$26.16

[illegible]

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Total: \$81,918.01 COPY

CITIZENS NATIONAL TRUST & SAVINGS BANK OF LOS ANGELES

PRIVATE TRUST NO. 2012

PETER L. and CATHERINE

STATEMENT OF ASSETS OF TRUST

as of June 16, 1935 (Date of Death
of Peter L. Ferry.)

CASH:

Income Cash on Hand	46.02	
Principal Cash on Hand	1,963.07	
Principal Cash in Term Savings Account	<u>4,500.00</u>	\$6,509.09

SEVEN (7%) PER CENT FIRST MORTGAGES
and/or FIRST TRUST DEEDS

2	Mary G. Anneberg Accrued Interest from 6/10/35	3,017.35 3.52	3,017.35
3	J. P. Betancourt Accrued Interest from 4/1/35	2,200.00 32.09	2,200.00
4	Anna Morrison & Louise Brown Accrued Interest from 6/8/35	7,247.22 11.27	7,247.22
5	Mary I. Chapman Accrued Interest from 6/2/35	1,362.71 3.71	1,362.71
6	Olive O. Darby Accrued Interest from 5/20/35	979.69 4.95	979.69
7	Frederick Jenks Accrued Interest from 5/30/35	1,125.22 3.40	1,125.22
8	Olive A. Leonard Accrued Interest from 5/28/35	17,076.47 59.77	17,076.47
9	Harry G. McCain Corp. Accrued Interest from 1/1/32 (\$1,834.58)	7,400.00 \$ 72.00	1,000.00

Raymond D. Morris
Accrued Interest from 5/30/35

3,691.54
11.48

3,703.02

Wm. I. O'Hourke
Accrued Interest from 3/9/35

1,837.27
34.65

1,871.92

Mary E. Shannon
Accrued Interest from 6/4/35

1,167.95
2.72

1,170.67

Ethel B. Schon
Accrued Interest from 3/24/35

5,562.12
88.68

5,650.80

W. P. Valentine
Accrued Interest from 5/12/35

3,637.88
24.05

3,661.93

Frank Wiethoff
Accrued Interest from 3/27/35

5,840.82
89.71

5,930.53

SIX (6%) PER CENT SECOND MORTGAGE

Alpha Jantzen
Accrued Interest from 6/15/35

828.14
.13

1.00

SIX (6%) PER CENT SECOND TRUST DEED

Aurele Vermuelen
Accrued Interest from 2/7/35

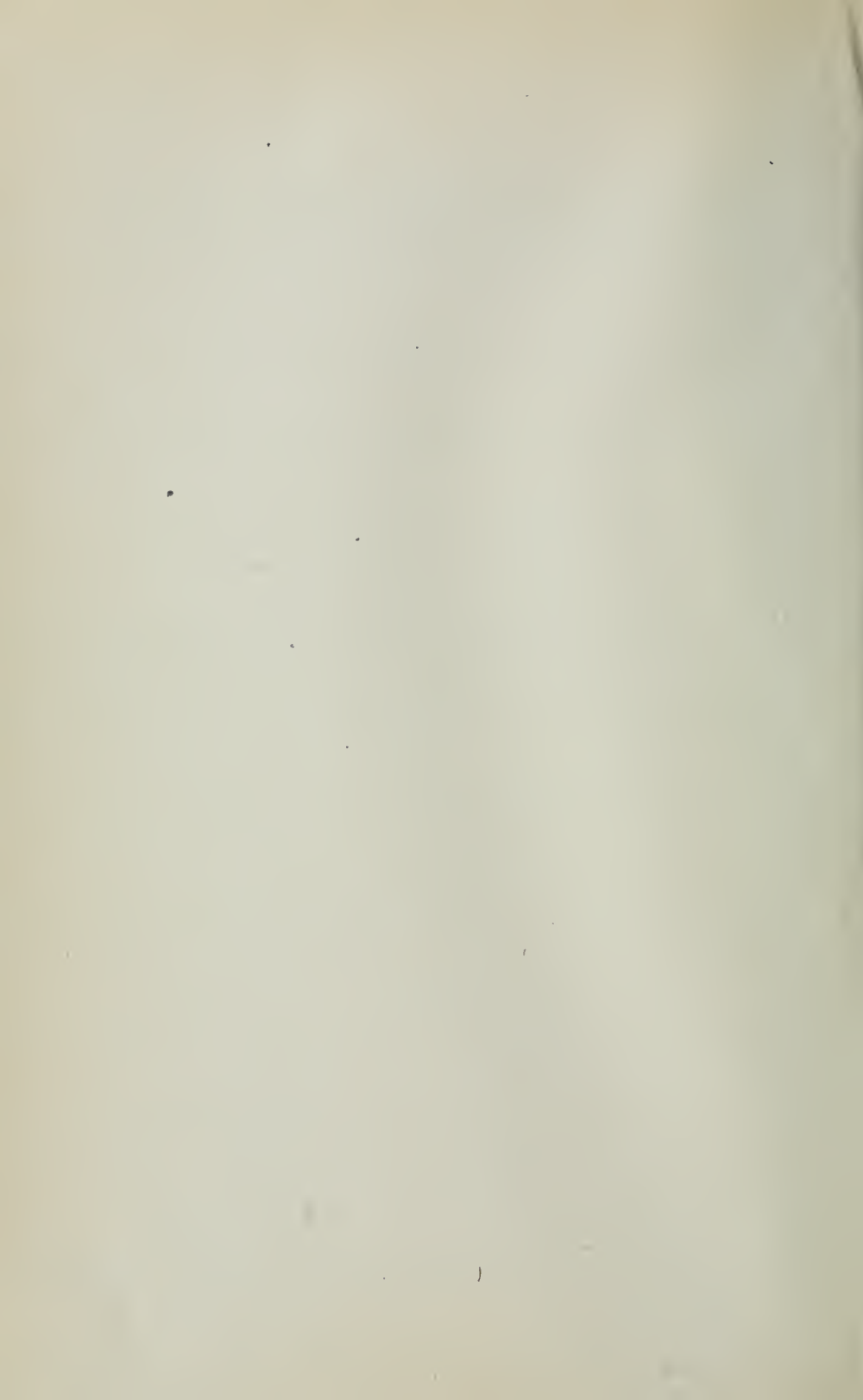
485.95
10.43

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hundred sixty-seven (167) feet to a point; thence easterly at right angles to said westerly line a distance of one hundred feet to a point; thence southerly parallel with said westerly line to the northerly line of said Chevy Chase Drive; thence westerly along said northerly line to the point of beginning:

BOOK NO.

2. Lots 18 and 19 in Block 4 of Tract 8842, as per map recorded in Book 118, pages 83 to 94 of Maps.
3. Lots 28, 29, 30 in Block 2 of Moore's Re-subdivision of a portion of Block 9 of the Glendale Boulevard Tract as per map recorded in Book 9, Page 135 of Maps.
4. Lots 1, 2 and 3 in Block 1 of Borthicks Tract as per map recorded in Book 8, Page 154 of Maps.
5. Lots 3, 10, 11, 12 in Tract 7319 as per map recorded in Book 103, pages 25, 26 and 27 of Maps.
6. Lot 13, Block 12, Sparr Heights, in the Rancho San Rafael, as per map recorded in Book 59, Pages 34 to 36 of Maps, in the office of the County Recorder of Los Angeles County.
7. Lot 20 of Tract 4644, as per map recorded in Book 52, page 6 and 7 of Maps, in the office of the Recorder of Los Angeles County.
8. Lot 13 in Block "F" of Tract 7600 as per map recorded in Book 92, page 32 of Maps.
9. Lots 1 to 19 inclusive of Tract 6698, as per map recorded in Book 112, Page 77 of Maps.
10. Lots 47 to 53 inclusive of Payton Avenue Home Tract as per map recorded in Book 7, page 69 of Miscellaneous Records.
11. Lots 40, 52, 53 and 79 of Tract 7726, as per map recorded in Book 84, Page 58 of Maps.
12. Lot 34 of Tract 6025 as per map recorded in Book 64 Page 1 of Maps.
13. Lot 5 in Block 16 of Lelvas de Verdugo, Sheets 1 to 7 as per map recorded in Book 37, Pages 77 to 83 of Maps.
14. Lots 1 to 4 inclusive and 8 to 16 inclusive, of Tract 872 as per map recorded in Book 113 Page 78 of Maps.
15. Lots 37 and 38 of Tract 9088 as per map recorded in Book 113 Page 65 of Maps.
16. Lots 1, 3 and 4 of Descanso Tract, City of Tujunga, County of Los Angeles, as per map recorded in Book 22, Pages 66 and 67 of Maps.
17. Lots 8 and 9 of the Descanso Tract, City of Tujunga, County of Los Angeles, as per map recorded in Book 22, Pages 66 and 67 of Maps, EXCEPT any portions of Lots 8 and 9 that may be shown on the map of the City of Los Angeles.



PARCEL NO.

18. Lots 10, 11 and 12 of the Descanso Tract, City of Tujunga, County of Los Angeles, as per map recorded in Book 22, Pages 66 and 67 of Maps, reserving for public road purposes those portions of said Lots 10, 11, and 12 within the bounds of Los Angeles Avenue, as dedicated on map of Glorietta Heights, recorded in Book 30, Page 99 of Miscellaneous Records of said County.
19. Lots 13 and 14, except the South 50 feet, of the Descanso Tract, City of Tujunga, County of Los Angeles, as per map recorded in Book 22, Page 66 of Maps. ALSO EXCEPTING the East 40 feet of Lot 13, to be used for street purposes, and such portion of Lot 14 as may be included within the limits of Glorietta Avenue, as shown on map of Glorietta Heights, recorded in Book 30, Page 99, Miscellaneous Records of said County. ALSO EXCEPTING from said Lots 13 and 14 any portion thereof that may be included within Los Angeles Avenue.
20. The West one-half ($\frac{1}{2}$) of Lot Seventeen (17), the East one-half ($\frac{1}{2}$) of Lot Eighteen (18), and also that portion of Los Angeles Avenue shown on map of Descanso Tract adjoining said West one-half ($\frac{1}{2}$) of Lot Seventeen (17) and East one-half of Lot Eight (18) on the south and lying between the southerly line of said portions of Lots Seventeen (17) and Eighteen (18), and the northerly line of Los Angeles Avenue as dedicated on map of Glorietta Heights, recorded in Book 30, Page 99 of Miscellaneous Records in the office of the Recorder of said County, and the North two hundred eight and fifty hundredths (208.50) feet of the west one-half ($\frac{1}{2}$) of Lot Eighteen (18), and the north two hundred eight and fifty-hundredths (208.50) feet of Lots Nineteen (19), Twenty (20), Twenty-one (21), and all of Lots Twenty-two (22) and twenty-three (23), of the said Descanso Tract: RESERVING for public road purposes those portions of Lots Twenty-one (21) and Twenty-two (22) and Twenty-three (23) within the bounds of Glorietta Avenue, as dedicated on map of said Glorietta Heights; the East one-half ($E\frac{1}{2}$) of Lot Seventeen (17), of the Descanso Tract: also that portion of Los Angeles Avenue shown on said map of Descanso Tract, adjoining said East one-half ($\frac{1}{2}$) of Lot Seventeen (17) on the South, RESERVING for public road purposes that portion within the bounds of Los Angeles Avenue as dedicated on map of Glorietta Heights, recorded in Book 30, page 99 of Miscellaneous Records in the office of the County Recorder of Los Angeles County.
21. Lot 24 of the Descanso Tract, in the City of Tujunga, County of Los Angeles, as per map recorded in Book 22, Pages 66 and 67 of Maps.
22. Lot 25 of the Descanso Tract, as per map recorded in Book 22, Pages 66 and 67 of Maps, in the office of the Recorder of said County, reserving for public road purposes that portion of Lot 25 within the bounds of Glorietta Avenue, as dedicated on map of Glorietta Heights, recorded in Book 30, Page 99 of Miscellaneous Records, in the office of said County Recorder.
23. Lots 26, 27, 28 and 29 of the Descanso Tract, City of Tujunga,



PARCEL NO.

Lots 26, 27, 28 and 29 as may be included within the line of Glorieta Avenue, as shown on the map of Glorieta Heights, recorded in Book 30, Page 99 of said Miscellaneous Records.

24. Lots 30, 32, 33, 34, 35 and 36 of the Descanso Tract, City of Tujunga, County of Los Angeles, as per map recorded in Book 22, Pages 66 and 67 of said Map Records.
25. Lot 1 and the west 400 feet of Lot 2 of Tract 2055, City of Tujunga, County of Los Angeles, as per map recorded in Book 30, pages 70 and 71 of Map Records.
26. All that portion of Lots Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16) and Seventeen (17) Tract No. 2055, as per map recorded in Book 30, Pages 70 and 71 of Maps, in the office of the Recorder of said County, described as follows: Beginning at the northwesterly corner of said Lot Twelve (12); thence along the north line of said Lot Twelve (12), east nine and seventy-nine hundredths (2) feet to a point in a line parallel with and two hundred (2) feet, measured at right angles, from the easterly line of Kings Highway (seventy (70) feet wide) as shown on the map said Tract; thence along said parallel line, South 2 deg. 18' west four hundred thirty-one and twenty-seven hundred (431.27) feet to a point in the south line of said Lot Seventeen (17); thence west two hundred (200) feet to the southeast corner of said Lot Seventeen (17); thence north 2 deg. 18' east one hundred twenty-six and twenty-nine hundredths (126.29) feet to an angle point in the westerly line of said Lot Seventeen (17); thence north 32 deg. 10' east three hundred sixty and twenty-eight hundredths (360.28) feet to the point of beginning; - Lot Two (2), EXCEPT THE west four hundred (400) feet thereof; and Lots Four (4), Six (6) and Eight (8) of said Tract No. 2055. Subject to easement described in Book 33 hereof.
27. PARCEL 5. That portion of the Northwest quarter of the ~~North~~ quarter of Section 18, Township 2 North, Range 13 East, S.B.M., in City of Tujunga, County of Los Angeles, described as follows: Beginning at a point distant South 235 feet from the Northeast corner of the Northwest quarter of the Southwest quarter of said Section 18; thence South 321 feet; thence East 272 feet; thence Northeasterly 420 feet, more or less to the point of beginning.
28. PARCEL 6. That portion of the fractional Southeast quarter of Section 18, Township 2 North, Range 13 East, S.B.M., in City of Tujunga, County of Los Angeles, bounded and described as follows: Beginning at the Northwest corner of Lot 1 of Tract No. 2055, as per map recorded in Book 30, pages 70 and 71 of said Map records; thence Southerly along the West line of said Lot 1, a distance of 67 feet to the Easterly prolongation of the North line of the Descanso Tract, as per map recorded in Book 22 Pages 66 and 67 of said Map Records; thence Westerly along said prolongation and North line of the Descanso Tract, 888.58 feet to the Northwest corner of Lot 29 of said Descanso Tract; thence Northerly along the Northerly prolongation of the West line of said Lot 29 to the North line of the Southeast quarter of Section 18; thence Easterly along the last mentioned line to the point of beginning. EXCEPT the

PARCEL NO.

29. Lot 12 of Tract 3659 as per map recorded in Book 38, Page of Maps.
30. Lot 35 in Block "B" of Tract 6463 as per map recorded in Book 81 Page 44 of Maps.
31. Lot 20 in Block 22 of Alamos Heights as per map recorded in Book 5, Page 124 of Maps.
32. Lots 30 and 85 of Tract 7909 as per map recorded in Book 96 Page 31 of Maps.
33. Land situated in the City of Tujunga, County of Los Angeles State of California, to-wit: That portion of Fractional Section Eighteen (18), Township Two (2) North, Range Thirteenth (13) West, T. 2 N. R. 13 W. & M., described as follows: Beginning at the Northeast corner of Lot One (1) of Tract No. 2055, as per map recorded in Book 30, pages 70 and 71 of Maps, in the office of the Recorder of said County; thence South 0° 18' West two hundred twenty-five (225) feet to the Southeast corner of said Lot One (1); thence along the North lines of Lots Two (2) and Three (3) of said Tract No. 2055 East three hundred and six hundredths (300.06) feet; thence North 24° East two hundred forty-seven and sixty-two hundredths (247.62) feet to a point in the North line of the Southeast quarter of said Fractional Section Eighteen (18); thence along the North line of said Southeast quarter, East four hundred two and twenty-nine hundredths (402.29) feet to the point of beginning SUBJECT: an easement, unrecorded by set out in above mentioned decree, for a pipe line, as now exists on the ground together with the right of ingress and egress for the purpose of maintenance and replacement, the location of which is described as beginning at a point approximately 400 feet distant from the West line of Section 17 where the present supply pipe line from Holmes Canyon Reservoir to the Reservoir located upon Lot 1 of Tract No. 2055, as per map recorded in Book 30, pages 70 and 71 of Maps, in the office of the said County Recorder, intersects the North line of Fractional S. E. 1/4 of Section T. 2 N. R. 13 W. & M.; thence in a Southwesterly direction along the present constructed pipe line as now laid and marked by a trail out through the chaparral to the North line of said Lot 19; crossing Lot 16 of said Tract No. 2055 near the northerly end thereof at a point about 800 feet West of the West line of Section 17. (Affecting Lots 12 to 16 only) and
34. Portion of the North half of the Southeast quarter of Section 18, Township 2 North, Range 13 West, S. B. W., described as follows: Beginning at the Northeast corner of Lot 1 of Tract 2055; thence South 0° 18' West 225 feet to the Southeast corner of said Lot 1; thence along the North lines of Lots 2 and 3 of said Tract 2055 East 300.06 feet; thence North 24° 41' East 247.62 feet to a point in the North line of the Southeast quarter of said Fractional Section 18; thence along the North line of said Southeast quarter, East 402.29 feet to the point of beginning.
35. Lot 1, being a portion of the Northeast quarter of the Northeast quarter of Section 1, Township 2 North Range 17 West (Rapos

TRUST NO. 6204

PARCEL NO.

Property in County of Fresno, State of California

1. All of Sections 1, 11, 12, 14, and 15, Township 18 South, Range 17 East, Mount Diablo Base and Meridian, County of Fresno, State of California.
2. The Southwest quarter of Section 2, Township 18 South, Range 17 East, and the North half of the Southeast quarter of Section 2, Township 18 South, Range 17 East, Mount Diablo Base and Meridian, County of Fresno.

Property in County of San Bernardino, State of California

1. The North half of the West half of the Southwest quarter of the Southwest quarter of Section 27, Township 1 North, Range 6 West, S. R. E. M.

Added as per instructions of Mr. Sydney Wetzler, dated March 23, 1936.

West 1/2 of the Southeast 1/4 of Section 36, Township 3 North, Range 17 West, S.B.B. & M., Los Angeles County.

(Defendant's Exhibit F)

[Stamped]: Post Reviewed Sep 18 1940

C-TS:PD

LA:HLD

TECHNICAL STAFF, PACIFIC DIVISION
ACTION MEMORANDUM

In re Report of Hearing 6/19/40, MT:ET:California.
T. S. No. E-65.

Taxpayer:

Estate of Peter Ferry,
Catherine B. Ferry, Executrix,
c/o Claude I. Parker,
808 Bank of America Building,
Los Angeles, California.

Represented by:

J. Everett Blum,
808 Bank of America
Building,
Los Angeles,
California.

Collection District:

6th California.

Date of Death	Kind of Tax	Overassessment Claimed by Taxpayer	Overassessment Found by I. R. Agt. in Chge.
June 16, 1935.	Estate	\$63,825.77	None

[Stamped]: Received Aug 28 1940 Internal Revenue
Agent in Charge Los Angeles Division

Internal Revenue Agent in Charge,
Los Angeles, California:

I return herewith the file relating to the above-described case, accompanied by a statement of the issues, the relevant facts and law, and the conclusion reached, with the grounds therefor. This statement has my approval and is

(Defendant's Exhibit F)

incorporated as a part of the record of the case. The Staff Division has reached the following

Decision:

The overassessment in this case is as follows:

<u>Date of Death</u>	<u>Kind of Tax</u>	<u>Overassessment</u>	<u>Amount of Claim to be rejected</u>
June 16, 1935	Estate	None	\$63,825.77

The claim filed on behalf of the above estate in the amount of \$63,825.77 should be rejected and official notice of such rejection should be issued by registered mail to the taxpayer in accordance with the provisions of section 3772(a) of the Internal Revenue Code.

The taxpayer does not agree to the foregoing determination.

Appropriate action should be taken in accordance with paragraph 5 of Commissioner's Mimeograph, R. A. 1014, T. S. No. 57.

By direction of the Commissioner:

Virgil Burns
Head of Division.

Date: Aug 28 1940

C-TS:PD
LA:HLD

TECHNICAL STAFF, PACIFIC DIVISION
SUPPORTING STATEMENT

In re Report of Hearing 6/19/40, MT:ET:California.
T. S. No. E-65.

(Defendant's Exhibit F)

Taxpayer:

Estate of Peter Ferry,
Catherine B. Ferry, Executrix,
c/o Claude I. Parker,
808 Bank of America Building,
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Building,
Los Angeles,
California.

Collection District:
6th California.

<u>Date of Death</u>	<u>Kind of Tax</u>	<u>Overassessment Claimed by Taxpayer</u>	<u>Overassessment Found by I. R. Agt. in Chge.</u>
June 16, 1935.	Estate	\$63,825.77	None

Head of Division:

The above-entitled case, referred to the Pacific Division of the Technical Staff, at the request of the taxpayer, has been considered.

In response to a request a conference was granted at Los Angeles, California, on July 8, 1940.

The issues, relevant facts, law and argument and conclusion of the undersigned follow:

I. Issues:

1. Whether an amount of \$32,561.48 representing proceeds of insurance payable to beneficiaries other than the estate in excess of the \$40,000.00 exemption should be included in the gross estate of the decedent.

2. Whether an amount of \$610,837.45 representing property transferred prior to the enactment of section 161(a) of the California Code is includable in the gross estate to the extent of the entire corpus thereof, on the basis of the terms of the respective trust instruments.

(Defendant's Exhibit F)

II. Findings of Fact:

1. Peter Ferry died June 16, 1935, a resident of Glendale, California. Form 706 was filed on behalf of the estate which

Estate of Peter Ferry	Supporting Statement.
reflected a gross estate of \$276,664.17 and disclosed a tax liability amounting to \$16,905.17. As the result of a field investigation a deficiency in estate tax in the amount of \$61,183.19 was determined pursuant to thirty-day letter issued on August 4, 1937.	

A substantial portion of the deficiency was caused by adding to gross estate insurance payable to beneficiaries other than the estate, in excess of the \$40,000.00 exemption as follows:

Returned	\$260,071.24
Tentatively determined	292,632.72
	<hr/>
Increase	\$ 32,561.48

The decedent had taken out various life insurance policies during his lifetime. The policies were the ordinary type of printed forms wherein he retained all of the incidents of ownership, such as the right to change the beneficiary, to the date of his death. The statement was made that the premiums on these various contracts were paid after July 29, 1927 with community funds. No evidence was presented in support of this statement. The examining agent states, report dated February 5, 1940, that he endeavored repeatedly between October 23, 1939, and February 5, 1940, to obtain from the representative of the estate proof that the wife of the decedent contributed any community funds in payment of any part of the in-

(Defendant's Exhibit F)

insurance premiums but that the representative finally advised that he was unable to obtain such proof.

No proof as to such alleged payments was presented during conferences held with the undersigned.

2. A substantial portion of the proposed deficiency was due to increasing the gross estate in the amount of \$610,837.45 for the value of property transferred to various trusts by the decedent between the years 1925 and 1935. These were as follows:

	<u>Trust No.</u>	<u>Date Created</u>	<u>Amount</u>
(a)	S-5869	2-10-25	\$108,363.36
(b)	2012	4- 9-25	82,289.16
(c)	1080	7-10-25	2,547.74
(d)	SS-4358	10- 9-25	95,182.02
(e)	1052	11- 2-25	126,604.80
(f)	6204	6- 5-30	195,850.37
			<hr/>
	Total		\$610,837.45

Estate of Peter Ferry

Supporting Statement.

Copies of the various trust instruments are contained in the file and attention is invited thereto. With the exception of (c) above, each recites that the trustee has received from Peter L. Ferry and Catherine B. Ferry, husband and wife, trustors, a conveyance and transfer to it of the trust property. The pertinent provisions of the trusts are similar and are substantially as follows:

(a) Peter Ferry reserved the right to revoke or terminate Trust S-5869 in whole or in part during his lifetime with the consent of a majority of the living beneficiaries. The income was payable equally to the trustors and their

(Defendant's Exhibit F)

six children, subject to a payment of \$300.00 per month to Catherine Ferry's mother during her lifetime. Upon the death of the survivor of the trustors the principal was to be distributed as prescribed to the remaining beneficiaries.

(b) Trust 2012 provides for the distribution of the income share and share alike, among the trustors and their children, revocation and modification to be effected by the trustors and any three of the remaining beneficiaries. Upon the death of both trustors, the corpus is to be distributed among the children as prescribed thereby.

(c) Trust 1080 was created by Harry G. MacBain, July 10, 1925, to sell certain real estate. On July 10, 1925, decedent purchased a one-tenth interest in the trust and took title thereto as joint tenant with his wife. The record indicates that decedent transferred his interest to three of his children on May 28, 1935, eighteen days prior to his death while in an advanced stage of cancer.

(d) Trust SS-4358 was absolute and irrevocable except that Peter L. Ferry could, during his lifetime, make modifications with the consent of the majority of the other beneficiaries who were his wife and six children. The provision for the disposition of the principal was substantially the same as in the above-described trusts.

(e) In this trust the income was to be paid to the trustors and to the survivor of them during their lives. The trust was to be absolute and irrevocable "except that the Trustors have reserved unto themselves and a majority of the Beneficiaries the right at any time upon written notice delivered to said Trustee, to change the time of payment and/or the proportion of income, and/or the Beneficiaries mentioned in Article Four of this Trust * * *."

(Defendant's Exhibit F)

The provision for the distribution of the principal upon the death of the trustors is substantially the same as in the other trusts.

Estate of Peter Ferry

Supporting Statement.

(f) In this trust the income is payable to trustors jointly during their lifetime and upon the death of either the entire income is payable to the survivor during his or her lifetime. Upon the death of the survivor the corpus is to be distributed equally to the then living children, except that the share of any child under 30 years of age is to be held in trust until such child reaches the age of 30. Trustors reserved the right during their lifetime, acting jointly, to revoke, change, amend or substitute.

After protest the case was considered by the Conference Section of the Bureau and the proposed deficiency was sustained. At the request of the estate's representative the case was reviewed by the Committee on Appeal and Review which sustained the Conference Section. A proposal made by the representative of the estate that it concede the insurance issue and the inclusion of three-fourths of the total trusts in gross estate was rejected by the foregoing action.

Bureau letter MT-ET-7738-6th California, dated February 5, 1938, allowed a credit of \$27,980.46 for State estate, inheritance, legacy and succession taxes. Collector's Form 899 indicates that the full deficiency was paid. Subsequently the estate, on February 20, 1939, filed a claim in the amount of \$63,825.77 and requested reconsideration of both issues. After reconsideration in the field conference office the claim was denied. The recomputation as the result of such conference determined a deficiency of

(Defendant's Exhibit F)

\$848.93. The computation failed to allow a deduction of \$5,950.00, representing a transfer of bank stock and additional expenses of decedent amounting to \$3,310.17 paid by the estate, which were recommended for allowance in Bureau letter MT:ET:C1. 7738-6th California, dated January 22, 1938. These appear to be proper adjustments and should be allowed, eliminating the proposed additional deficiency, which is barred by statute.

III. Law and Argument:

1. This issue presents the question as to whether gross estate should be increased by the proceeds of insurance payable to beneficiaries other than the estate, in excess of the \$40,000.00 exemption.

The estate's representative relies on the cases of *Lang v. Commissioner*, 304 U. S. 264 (20 A. F. T. R. 1251) and *Elizabeth C. McCoy, Adm'x.*, 37 B. T. A. 114. The *Lang* case involved the Revenue Act of 1926. Section 302(g) of that Act, as amended, provides for the

Estate of Peter Ferry

Supporting Statement.

inclusion in the gross estate at the time of decedent's death of the amount receivable, in excess of \$40,000.00, by all other beneficiaries as insurance under policies taken out by the decedent. Article 25, Regulations 70, states that insurance is deemed to be taken out by the decedent in all cases where he pays all the premiums, either directly or indirectly, whether or not he makes the application.

Article 25, Regulations 80 (1934 Edition) (as amended by T. D. 4729), provides that insurance is considered to have been taken out by the decedent, whether or not he made the application, if he acquired the ownership of, or any legal incident thereof, in the policy. Legal incidents

(Defendant's Exhibit F)

of ownership in the policy, the article continues, include the right of the insured or his estate to its economic benefits, the power to change the beneficiary, to surrender or cancel the policy, to assign it, and the like.

All of the policies in this case were taken out by the decedent upon his own life. They were the usual standard form of policy giving him legal incidents of ownership such as changing the beneficiary, assignment and the like. They thus come within the express wording of Article 25. The estate's representative failed to show that any portion of the premiums was paid by community funds. But even if this were shown it appears immaterial in view of the provisions of Article 25, Regulations 80. Due to the difference in the express wording of Article 25, Regulations 80, as compared with the same article in Regulations 70, the Lang decision is not applicable in this case. The Court, itself, recognized this fact when it stated:

"Treasury Regulations 70 were in force when Lang died and are applicable to his estate. It is unnecessary for us to consider the meaning, validity or effect of the changes introduced by Regulations 80."

In the McCoy case, *supra*, the question was whether the laws of California were the same as those of the State of Washington with respect to life insurance where the premiums had been paid out of community funds. The question of the difference in the regulations was not discussed, as herein presented. The decedent in the McCoy case died in 1932. Hence Regulations 70 would be applicable as in the Lang case. It is apparent that the McCoy case is not controlling herein.

(Defendant's Exhibit F)

It was held in *Newman v. Commissioner*, 76 F (2d) 449, where decedent had taken out policies of insurance wherein he reserved the right to change the beneficiaries, and where the premiums were paid out of community property, and the proceeds were to go

Estate of Peter Ferry

Supporting Statement.

to his wife, that the transaction is regarded as a gift by the husband to the wife, and the estate of neither is regarded as having paid the premiums so as to be entitled to reimbursement on account of the payment.

In the Estate of Cyprian A. Spurl, Sr., 40 B.T.A. 141 (acq.), decedent died in 1936 in Louisiana leaving a large amount of life insurance. He had had the right up to the date of his death to change the beneficiary. All of the premiums on the policies were paid out of community property. It was held that the total value of the insurance policies at date of death in excess of \$40,000.00 was includable in the gross estate.

While both the Spurl and the Newman cases, *supra*, involved community property laws of Louisiana, no material or essential difference between such laws of that State and those of California as to nullify the controlling effect of those decisions in the instant case was asserted or established by the estate's representative. From a study thereof and consideration of cases involving the laws of these states, it does not appear that any material difference therein exists.

2. This issue involves the question as to whether the establishment of certain trusts by the decedent and his wife amounted to a property settlement between the spouses, giving the wife a vested interest therein, which

(Defendant's Exhibit F)

one-half interest should be excluded from the gross estate of the decedent.

The corpus of all five of the trusts was acquired by the decedent during coverture prior to the enactment of section 161(a) of the California Civil Code giving the wife a vested interest in the community. Prior to the enactment of this section of the Code, the wife had a mere expectancy in the community. The rights of the husband were so complete that the husband was the owner of the community. *U. S. v. Robbins*, 269 U. S. 315. The fact that the wife became a co-trustor is therefore without significance or effect. She contributed nothing of her own and her participation was a mere formality.

It is contended that the legal effect of these trusts was to constitute the wife a tenant in common with her husband in the corpus thereof. There is nothing to indicate that the wife acquired any additional property or property rights by becoming a signatory to the trust instruments. Had any of the trusts been revoked, by the terms of the instruments the corpus would have become the property of the trustors, in which event an estate of tenancy in common might have been created. However, none of the trusts was revoked during the decedent's lifetime.

Estate of Peter Ferry

Supporting Statement.

The decedent had also reserved the power, to alter, revoke, or amend the trusts, with the concurrence of certain of the beneficiaries.

Article 20(a), Regulations 80 (1937 Edition) provides that all trusts are subject to tax when the transfer was made after the enactment of the Revenue Act of 1924 and before the amendment of the subdivisions by the Revenue

(Defendant's Exhibit F)

Act of 1934 became effective, and the decedent's death occurred at any time subsequent to the transfer, with power of revocation reserved to the decedent, alone or with others, having or not having a substantial adverse interest in such property.

The wife contributed nothing to the trusts. She had no interest in the trust property other than the life estate given her in certain of the trusts. The decedent reserved the power to alter, amend and revoke the trusts with the consent of others having substantial adverse interests in the property. Accordingly the property, or corpus, of all five trusts are includable in the gross estate of the decedent.

The representative of the estate submitted a proposal for settlement as follows:

(a) That the estate concede issue 1 in full.

(b) That there be included in the gross estate \$503,-940.90 of the transfers in trust and that the remainder thereof, or \$106,896.55 be excluded. Acceptance of this proposal would result in an overassessment and refund of \$7,199.84 plus interest. Careful consideration of this offer in the light of the applicable law leads to the conclusion that the proposed offer is unacceptable.

On the basis of the foregoing, the claim for refund of the estate in the amount of \$63,825.77 should be officially rejected in accordance with established procedure.

(Defendant's Exhibit F)

IV. Conclusion:

Since the taxpayer did not submit an acceptable proposal for settlement the case should be returned to the Revenue Agent in Charge for appropriate action.

H. L. Ducker

Assistant Technical Advisor.

8-26-40

GC:C:PEM

368654

Feb 1 1943

In re: Catherine B. Ferry, Executrix, Estate of
Peter Ferry v. Rogan.

DEPUTY COMMISSIONER BLISS,

Miscellaneous Tax Unit.

Attention: Estate Tax Division.

The above-entitled case is now pending in the United States District Court for the Southern District of California and is an action brought by the executrix of the estate of Peter Ferry, deceased, to recover a portion of the Federal estate tax paid by that estate.

An offer in settlement has been submitted by the representatives of this estate under which it is agreed that plaintiffs will accept in full settlement of their claim the sum of \$16,511.39 stated to represent the overpayment re-

(Defendant's Exhibit F)

sulting from decreasing the value of the corpus of Trust No. 6204 from the determined value of \$195,850.37 to \$111,382.87. It is contended by plaintiff that 27 parcels out of 38 parcels of real estate that were put into this trust were held by the decedent and her husband as joint tenants. It appears that the value of these joint tenants parcels at the date of death was \$168,935.00 and it is, therefore, claimed by the estate that the wife's one-half or one-half of that amount or \$84,467.50 should be excluded from this decedent's taxable estate. The exclusion of that amount would reduce the value of the corpus of this trust to \$111,382.87.

It is requested that a recomputation of the estate tax liability of this estate be made after reducing the value of the corpus of this trust by \$84,467.50 and that you advise the amount of the overpayment resulting from this adjustment. Also show in your memorandum the date from which interest is to be computed.

The administrative estate tax file for the estate of Peter Ferry is transmitted herewith and should be returned with your memorandum.

This case is set for trial on February 8, 1943 in Los Angeles and it is necessary that consideration be given to the offer prior to that time. The recomputation requested is for use in this connection. It is, therefore, requested that this matter be given your special attention and that

(Defendant's Exhibit F)

the recomputation be furnished at the earliest possible date.

J. P. Wenchel
J. P. WENCHEL,
Chief Counsel.

Encl. #1133

als

Enclosure No. 919171 With Letter From Hoyt—Mar.
26, 1943 From Department of Justice

[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Deft.
Exhibit No. F in evid. Filed 6/8 1943. By Cross, Deputy
Clerk.

[DEFENDANT'S EXHIBIT G]

* * * * *

TREASURY DEPARTMENT
Washington

[Crest]

Office of
Commissioner of Internal RevenueAddress Reply to
Commissioner of Internal Revenue
and Refer toMT-ET-GT-1924-1925 Miscellaneous
Donor—Peter Ferry (deceased)

Sep 15 1942

CERTIFICATION

This is to certify that after diligent search, no record is found to exist in the records of this office of a gift tax return, or returns, filed by Peter Ferry, now deceased, reporting a gift, or gifts, to his wife for the calendar years 1924 and 1925.

D. S. Bliss,
D. S. Bliss,
Deputy Commissioner.

[Endorsed]: No. 2106 OC. Ferry vs. Rogan. Exhibit No. G in evid. Filed 6/7 1943. By Cross, Deputy Clerk.

FOR NET INCOMES OF MORE THAN \$1,000
 OR NET INCOME, REGARDLESS OF AMOUNT, IF DERIVED FROM A PROFESSION OR BUSINESS, OR FROM OTHER SOURCES

For Calendar Year 1924

If Your Income is Computed on a Fiscal Year Basis, or Income is Received from a Partnership or Partnership Computed on a Fiscal Year Basis, Form 10087Y Should be Secured from the Collector and Filled in Line of This Form

File This Return with the Collector of Internal Revenue for Your District on or Before March 31, 1925
 (PRINT NAME AND ADDRESS PLAINLY BELOW)

Peter L Ferry

614 EAST ACACIA AVE

Glendale

Los Angeles

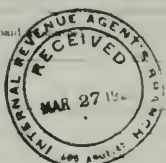
California

OCCUPATION, PROFESSION, OR KIND OF BUSINESS

- Are you a citizen or resident of the United States? *Yes*
- If you filed a return for 1923, to what Collector's office was it sent? *Los Angeles*
- Is this a joint return of husband and wife? *No*
- Were you married in 1924 with husband or wife? *Yes*
- If not, were you on the last day of your taxable year supporting one or more persons living in your household and are closely related to you by blood, marriage, or adoption? *No*
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective receiving their chief support from you on the last day of your taxable year? *None*

INCOME

- Salaries, Wages, Commissions, etc. (State name and address of person from whom received) *382.90*
- Income from Bonds and Dividends (State name and address of person from whom received) *164.00*
- Interest on Bank Deposits, Government Bonds, etc. (except interest upon which a tax was paid at source) *1.40*
- Income from Partnerships, etc. (State name and address of partnership, etc.) *None*
- Rents and Royalties (From Schedule B)
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- Dividends on Stock of Domestic Corporation
- Taxable Interest on Liberty Bonds, etc. (From Schedule D)
- Other Income (State name and address of person from whom received)



DEDUCTIONS

- Interest Paid (From Schedule E)
- Taxes Paid (From Schedule F)
- Losses on Life, Storm, etc. (From Schedule G)
- Bad Debts (From Schedule H)
- Contributions (From Schedule I)
- Other Deductions (State name and address of person from whom received)

COMPUTATION OF TAX

- Total Income (Sum of Items 1-9) *550.00*
- Less Personal Exemption and Credit for Dependents *530.00*
- Balance Item 19 minus Item 20 *20.00*
- Amount taxable at 2% (from Item 21) *None*
- Amount taxable at 4% (from Item 22) *None*
- Amount taxable at 6% (from Item 23) *None*
- Amount taxable at 8% (from Item 24) *None*
- Normal Tax 2% of Item 21 *None*
- Normal Tax 4% of Item 22 *None*
- Normal Tax 6% of Item 23 *None*
- Normal Tax 8% of Item 24 *None*
- Total Tax (Sum of Items 25-28) *None*
- Less Credit of 25% of Tax for Low Income (Item 29) *None*
- Total Tax (Item 28 minus Item 29) *None*
- Less Income Tax paid at source (from Item 30) *None*
- Balance of Income Tax (from Item 31) *None*
- Less Credit of 25% of Tax for Low Income (Item 32) *None*
- Total Tax (Item 31 minus Item 32) *None*
- Less Income Tax paid at source (from Item 33) *None*
- Balance of Income Tax (from Item 34) *None*
- Less Credit of 25% of Tax for Low Income (Item 35) *None*
- Total Tax (Item 34 minus Item 35) *None*
- Less Income Tax paid at source (from Item 36) *None*
- Balance of Income Tax (from Item 37) *None*
- Less Credit of 25% of Tax for Low Income (Item 38) *None*
- Total Tax (Item 37 minus Item 38) *None*
- Less Income Tax paid at source (from Item 39) *None*
- Balance of Income Tax (from Item 40) *None*
- Less Credit of 25% of Tax for Low Income (Item 41) *None*
- Total Tax (Item 40 minus Item 41) *None*
- Less Income Tax paid at source (from Item 42) *None*
- Balance of Income Tax (from Item 43) *None*
- Less Credit of 25% of Tax for Low Income (Item 44) *None*
- Total Tax (Item 43 minus Item 44) *None*
- Less Income Tax paid at source (from Item 45) *None*
- Balance of Income Tax (from Item 46) *None*
- Less Credit of 25% of Tax for Low Income (Item 47) *None*
- Total Tax (Item 46 minus Item 47) *None*
- Less Income Tax paid at source (from Item 48) *None*
- Balance of Income Tax (from Item 49) *None*
- Less Credit of 25% of Tax for Low Income (Item 50) *None*
- Total Tax (Item 49 minus Item 50) *None*
- Less Income Tax paid at source (from Item 51) *None*
- Balance of Income Tax (from Item 52) *None*
- Less Credit of 25% of Tax for Low Income (Item 53) *None*
- Total Tax (Item 52 minus Item 53) *None*
- Less Income Tax paid at source (from Item 54) *None*
- Balance of Income Tax (from Item 55) *None*
- Less Credit of 25% of Tax for Low Income (Item 56) *None*
- Total Tax (Item 55 minus Item 56) *None*
- Less Income Tax paid at source (from Item 57) *None*
- Balance of Income Tax (from Item 58) *None*
- Less Credit of 25% of Tax for Low Income (Item 59) *None*
- Total Tax (Item 58 minus Item 59) *None*
- Less Income Tax paid at source (from Item 60) *None*
- Balance of Income Tax (from Item 61) *None*
- Less Credit of 25% of Tax for Low Income (Item 62) *None*
- Total Tax (Item 61 minus Item 62) *None*
- Less Income Tax paid at source (from Item 63) *None*
- Balance of Income Tax (from Item 64) *None*
- Less Credit of 25% of Tax for Low Income (Item 65) *None*
- Total Tax (Item 64 minus Item 65) *None*
- Less Income Tax paid at source (from Item 66) *None*
- Balance of Income Tax (from Item 67) *None*
- Less Credit of 25% of Tax for Low Income (Item 68) *None*
- Total Tax (Item 67 minus Item 68) *None*
- Less Income Tax paid at source (from Item 69) *None*
- Balance of Income Tax (from Item 70) *None*
- Less Credit of 25% of Tax for Low Income (Item 71) *None*
- Total Tax (Item 70 minus Item 71) *None*
- Less Income Tax paid at source (from Item 72) *None*
- Balance of Income Tax (from Item 73) *None*
- Less Credit of 25% of Tax for Low Income (Item 74) *None*
- Total Tax (Item 73 minus Item 74) *None*
- Less Income Tax paid at source (from Item 75) *None*
- Balance of Income Tax (from Item 76) *None*
- Less Credit of 25% of Tax for Low Income (Item 77) *None*
- Total Tax (Item 76 minus Item 77) *None*
- Less Income Tax paid at source (from Item 78) *None*
- Balance of Income Tax (from Item 79) *None*
- Less Credit of 25% of Tax for Low Income (Item 80) *None*
- Total Tax (Item 79 minus Item 80) *None*
- Less Income Tax paid at source (from Item 81) *None*
- Balance of Income Tax (from Item 82) *None*
- Less Credit of 25% of Tax for Low Income (Item 83) *None*
- Total Tax (Item 82 minus Item 83) *None*
- Less Income Tax paid at source (from Item 84) *None*
- Balance of Income Tax (from Item 85) *None*
- Less Credit of 25% of Tax for Low Income (Item 86) *None*
- Total Tax (Item 85 minus Item 86) *None*
- Less Income Tax paid at source (from Item 87) *None*
- Balance of Income Tax (from Item 88) *None*
- Less Credit of 25% of Tax for Low Income (Item 89) *None*
- Total Tax (Item 88 minus Item 89) *None*
- Less Income Tax paid at source (from Item 90) *None*
- Balance of Income Tax (from Item 91) *None*
- Less Credit of 25% of Tax for Low Income (Item 92) *None*
- Total Tax (Item 91 minus Item 92) *None*
- Less Income Tax paid at source (from Item 93) *None*
- Balance of Income Tax (from Item 94) *None*
- Less Credit of 25% of Tax for Low Income (Item 95) *None*
- Total Tax (Item 94 minus Item 95) *None*
- Less Income Tax paid at source (from Item 96) *None*
- Balance of Income Tax (from Item 97) *None*
- Less Credit of 25% of Tax for Low Income (Item 98) *None*
- Total Tax (Item 97 minus Item 98) *None*
- Less Income Tax paid at source (from Item 99) *None*
- Balance of Income Tax (from Item 100) *None*
- Less Credit of 25% of Tax for Low Income (Item 101) *None*
- Total Tax (Item 100 minus Item 101) *None*
- Less Income Tax paid at source (from Item 102) *None*
- Balance of Income Tax (from Item 103) *None*
- Less Credit of 25% of Tax for Low Income (Item 104) *None*
- Total Tax (Item 103 minus Item 104) *None*
- Less Income Tax paid at source (from Item 105) *None*
- Balance of Income Tax (from Item 106) *None*
- Less Credit of 25% of Tax for Low Income (Item 107) *None*
- Total Tax (Item 106 minus Item 107) *None*
- Less Income Tax paid at source (from Item 108) *None*
- Balance of Income Tax (from Item 109) *None*
- Less Credit of 25% of Tax for Low Income (Item 110) *None*
- Total Tax (Item 109 minus Item 110) *None*
- Less Income Tax paid at source (from Item 111) *None*
- Balance of Income Tax (from Item 112) *None*
- Less Credit of 25% of Tax for Low Income (Item 113) *None*
- Total Tax (Item 112 minus Item 113) *None*
- Less Income Tax paid at source (from Item 114) *None*
- Balance of Income Tax (from Item 115) *None*
- Less Credit of 25% of Tax for Low Income (Item 116) *None*
- Total Tax (Item 115 minus Item 116) *None*
- Less Income Tax paid at source (from Item 117) *None*
- Balance of Income Tax (from Item 118) *None*
- Less Credit of 25% of Tax for Low Income (Item 119) *None*
- Total Tax (Item 118 minus Item 119) *None*
- Less Income Tax paid at source (from Item 120) *None*
- Balance of Income Tax (from Item 121) *None*
- Less Credit of 25% of Tax for Low Income (Item 122) *None*
- Total Tax (Item 121 minus Item 122) *None*
- Less Income Tax paid at source (from Item 123) *None*
- Balance of Income Tax (from Item 124) *None*
- Less Credit of 25% of Tax for Low Income (Item 125) *None*
- Total Tax (Item 124 minus Item 125) *None*
- Less Income Tax paid at source (from Item 126) *None*
- Balance of Income Tax (from Item 127) *None*
- Less Credit of 25% of Tax for Low Income (Item 128) *None*
- Total Tax (Item 127 minus Item 128) *None*
- Less Income Tax paid at source (from Item 129) *None*
- Balance of Income Tax (from Item 130) *None*
- Less Credit of 25% of Tax for Low Income (Item 131) *None*
- Total Tax (Item 130 minus Item 131) *None*
- Less Income Tax paid at source (from Item 132) *None*
- Balance of Income Tax (from Item 133) *None*
- Less Credit of 25% of Tax for Low Income (Item 134) *None*
- Total Tax (Item 133 minus Item 134) *None*
- Less Income Tax paid at source (from Item 135) *None*
- Balance of Income Tax (from Item 136) *None*
- Less Credit of 25% of Tax for Low Income (Item 137) *None*
- Total Tax (Item 136 minus Item 137) *None*
- Less Income Tax paid at source (from Item 138) *None*
- Balance of Income Tax (from Item 139) *None*
- Less Credit of 25% of Tax for Low Income (Item 140) *None*
- Total Tax (Item 139 minus Item 140) *None*
- Less Income Tax paid at source (from Item 141) *None*
- Balance of Income Tax (from Item 142) *None*
- Less Credit of 25% of Tax for Low Income (Item 143) *None*
- Total Tax (Item 142 minus Item 143) *None*
- Less Income Tax paid at source (from Item 144) *None*
- Balance of Income Tax (from Item 145) *None*
- Less Credit of 25% of Tax for Low Income (Item 146) *None*
- Total Tax (Item 145 minus Item 146) *None*
- Less Income Tax paid at source (from Item 147) *None*
- Balance of Income Tax (from Item 148) *None*
- Less Credit of 25% of Tax for Low Income (Item 149) *None*
- Total Tax (Item 148 minus Item 149) *None*
- Less Income Tax paid at source (from Item 150) *None*
- Balance of Income Tax (from Item 151) *None*
- Less Credit of 25% of Tax for Low Income (Item 152) *None*
- Total Tax (Item 151 minus Item 152) *None*
- Less Income Tax paid at source (from Item 153) *None*
- Balance of Income Tax (from Item 154) *None*
- Less Credit of 25% of Tax for Low Income (Item 155) *None*
- Total Tax (Item 154 minus Item 155) *None*
- Less Income Tax paid at source (from Item 156) *None*
- Balance of Income Tax (from Item 157) *None*
- Less Credit of 25% of Tax for Low Income (Item 158) *None*
- Total Tax (Item 157 minus Item 158) *None*
- Less Income Tax paid at source (from Item 159) *None*
- Balance of Income Tax (from Item 160) *None*
- Less Credit of 25% of Tax for Low Income (Item 161) *None*
- Total Tax (Item 160 minus Item 161) *None*
- Less Income Tax paid at source (from Item 162) *None*
- Balance of Income Tax (from Item 163) *None*
- Less Credit of 25% of Tax for Low Income (Item 164) *None*
- Total Tax (Item 163 minus Item 164) *None*
- Less Income Tax paid at source (from Item 165) *None*
- Balance of Income Tax (from Item 166) *None*
- Less Credit of 25% of Tax for Low Income (Item 167) *None*
- Total Tax (Item 166 minus Item 167) *None*
- Less Income Tax paid at source (from Item 168) *None*
- Balance of Income Tax (from Item 169) *None*
- Less Credit of 25% of Tax for Low Income (Item 170) *None*
- Total Tax (Item 169 minus Item 170) *None*
- Less Income Tax paid at source (from Item 171) *None*
- Balance of Income Tax (from Item 172) *None*
- Less Credit of 25% of Tax for Low Income (Item 173) *None*
- Total Tax (Item 172 minus Item 173) *None*
- Less Income Tax paid at source (from Item 174) *None*
- Balance of Income Tax (from Item 175) *None*
- Less Credit of 25% of Tax for Low Income (Item 176) *None*
- Total Tax (Item 175 minus Item 176) *None*
- Less Income Tax paid at source (from Item 177) *None*
- Balance of Income Tax (from Item 178) *None*
- Less Credit of 25% of Tax for Low Income (Item 179) *None*
- Total Tax (Item 178 minus Item 179) *None*
- Less Income Tax paid at source (from Item 180) *None*
- Balance of Income Tax (from Item 181) *None*
- Less Credit of 25% of Tax for Low Income (Item 182) *None*
- Total Tax (Item 181 minus Item 182) *None*
- Less Income Tax paid at source (from Item 183) *None*
- Balance of Income Tax (from Item 184) *None*
- Less Credit of 25% of Tax for Low Income (Item 185) *None*
- Total Tax (Item 184 minus Item 185) *None*
- Less Income Tax paid at source (from Item 186) *None*
- Balance of Income Tax (from Item 187) *None*
- Less Credit of 25% of Tax for Low Income (Item 188) *None*
- Total Tax (Item 187 minus Item 188) *None*
- Less Income Tax paid at source (from Item 189) *None*
- Balance of Income Tax (from Item 190) *None*
- Less Credit of 25% of Tax for Low Income (Item 191) *None*
- Total Tax (Item 190 minus Item 191) *None*
- Less Income Tax paid at source (from Item 192) *None*
- Balance of Income Tax (from Item 193) *None*
- Less Credit of 25% of Tax for Low Income (Item 194) *None*
- Total Tax (Item 193 minus Item 194) *None*
- Less Income Tax paid at source (from Item 195) *None*
- Balance of Income Tax (from Item 196) *None*
- Less Credit of 25% of Tax for Low Income (Item 197) *None*
- Total Tax (Item 196 minus Item 197) *None*
- Less Income Tax paid at source (from Item 198) *None*
- Balance of Income Tax (from Item 199) *None*
- Less Credit of 25% of Tax for Low Income (Item 200) *None*
- Total Tax (Item 199 minus Item 200) *None*

Contractor

Cost of Goods Sold		Other Business Deductions	
1. Labor	244576	10. Balance, exclusive of "Labor," reported on Line 3, and compensation for your own services	
2. Material and supplies	584671	11. Interest on business indebtedness to others	
4. Merchandise bought for sale	8658	12. Taxes on business and business property	4317
5. Other costs (Itemize below or on separate sheet)		13. Losses by fire, storm, etc. (explain in table provided therefor at foot of page)	
6. Plus inventory at beginning of year	29781	14. Bad debts arising from sales	
7. TOTAL (Lines 2 to 6, inclusive)	877627	15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)	7687
8. Less inventory at end of year	38439	16. Rent, repairs, and other expenses (itemize below on separate sheet)	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	839187	17. TOTAL (Lines 10 to 16, inclusive)	1200
	439463	18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	839187
		19. NET INCOME (Line 1 minus Line 18) (Enter as Item 7)	

Explanation of deductions claimed on Lines 5 and 16

Ware and Fare on Contractor outfit 202,384.39

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instructions)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AT OR BEFORE MARCH 1, 1913	5. DEPRECIATION (explain in table provided therefor at foot of page)	6. REPAIRS	7. OTHER DEDUCTIONS (explain in table provided therefor at foot of page)
1. Frame buildings	8628	244576		14728		

Explanation of deductions claimed in Column 6

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instructions)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION (explain in table provided therefor at foot of page)	5. COST	6. VALUE AT OR BEFORE MARCH 1, 1913	7. PROFIT (LOSS) (Line 3 minus Line 5)

State how property was acquired

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instructions)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION (explain in table provided therefor at foot of page)	6. COST	7. VALUE AT OR BEFORE MARCH 1, 1913	8. PROFIT (LOSS) (Line 4 minus Line 6)

State how property was acquired

SCHEDULE E—INTEREST ON LIBRARY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instructions)

1. KIND OF OBLIGATION	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION (explain in table provided therefor at foot of page)	6. COST	7. VALUE AT OR BEFORE MARCH 1, 1913	8. PROFIT (LOSS) (Line 4 minus Line 6)
1. U.S. Government Bonds							
2. U.S. Savings Bonds							
3. U.S. Treasury Notes							
4. U.S. Government Securities							
5. U.S. Government Bonds							
6. U.S. Government Bonds							
7. U.S. Government Bonds							
8. U.S. Government Bonds							
9. U.S. Government Bonds							
10. U.S. Government Bonds							
11. U.S. Government Bonds							
12. U.S. Government Bonds							
13. U.S. Government Bonds							
14. U.S. Government Bonds							
15. U.S. Government Bonds							
16. U.S. Government Bonds							
17. U.S. Government Bonds							
18. U.S. Government Bonds							
19. U.S. Government Bonds							
20. U.S. Government Bonds							
21. U.S. Government Bonds							
22. U.S. Government Bonds							
23. U.S. Government Bonds							
24. U.S. Government Bonds							
25. U.S. Government Bonds							
26. U.S. Government Bonds							
27. U.S. Government Bonds							
28. U.S. Government Bonds							
29. U.S. Government Bonds							
30. U.S. Government Bonds							
31. U.S. Government Bonds							
32. U.S. Government Bonds							
33. U.S. Government Bonds							
34. U.S. Government Bonds							
35. U.S. Government Bonds							
36. U.S. Government Bonds							
37. U.S. Government Bonds							
38. U.S. Government Bonds							
39. U.S. Government Bonds							
40. U.S. Government Bonds							
41. U.S. Government Bonds							
42. U.S. Government Bonds							
43. U.S. Government Bonds							
44. U.S. Government Bonds							
45. U.S. Government Bonds							
46. U.S. Government Bonds							
47. U.S. Government Bonds							
48. U.S. Government Bonds							
49. U.S. Government Bonds							
50. U.S. Government Bonds							
51. U.S. Government Bonds							
52. U.S. Government Bonds							
53. U.S. Government Bonds							
54. U.S. Government Bonds							
55. U.S. Government Bonds							
56. U.S. Government Bonds							
57. U.S. Government Bonds							
58. U.S. Government Bonds							
59. U.S. Government Bonds							
60. U.S. Government Bonds							
61. U.S. Government Bonds							
62. U.S. Government Bonds							
63. U.S. Government Bonds							
64. U.S. Government Bonds							
65. U.S. Government Bonds							
66. U.S. Government Bonds							
67. U.S. Government Bonds							
68. U.S. Government Bonds							
69. U.S. Government Bonds							
70. U.S. Government Bonds							
71. U.S. Government Bonds							
72. U.S. Government Bonds							
73. U.S. Government Bonds							
74. U.S. Government Bonds							
75. U.S. Government Bonds							
76. U.S. Government Bonds							
77. U.S. Government Bonds							
78. U.S. Government Bonds							
79. U.S. Government Bonds							
80. U.S. Government Bonds							
81. U.S. Government Bonds							
82. U.S. Government Bonds							
83. U.S. Government Bonds							
84. U.S. Government Bonds							
85. U.S. Government Bonds							
86. U.S. Government Bonds							
87. U.S. Government Bonds							
88. U.S. Government Bonds							
89. U.S. Government Bonds							
90. U.S. Government Bonds							
91. U.S. Government Bonds							
92. U.S. Government Bonds							
93. U.S. Government Bonds							
94. U.S. Government Bonds							
95. U.S. Government Bonds							
96. U.S. Government Bonds							
97. U.S. Government Bonds							
98. U.S. Government Bonds							
99. U.S. Government Bonds							
100. U.S. Government Bonds							

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 16

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION (explain in table provided therefor at foot of page)	6. COST	7. VALUE AT OR BEFORE MARCH 1, 1913	8. PROFIT (LOSS) (Line 4 minus Line 6)
1. Frame buildings							

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION (explain in table provided therefor at foot of page)	6. COST	7. VALUE AT OR BEFORE MARCH 1, 1913	8. PROFIT (LOSS) (Line 4 minus Line 6)
1. Frame buildings	1927	1922	1100	20700			

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15

Charles J. M. Kuter Boy Scout Councils Head 1413

AFFIDAVIT

I, the undersigned, being duly sworn, depose and say that the foregoing is a true and correct statement of the facts and circumstances as to the matters herein stated, and that the same are true to the best of my knowledge and belief.

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000

OR NET INCOME, REGARDLESS OF AMOUNT, IF DERIVED FROM A PROFESSION OR BUSINESS, INCLUDING FARMING

For Calendar Year 1926

Send this Return With the Collector of Internal Revenue for Your District on or Before March 15, 1927

(PRINT NAME AND ADDRESS PLAINLY BELOW)

Inspector
12/18/27
Peter L Ferry
3030 Cherry Chase Drive
Glen Dale Los Angeles Cal

OCCUPATION, PROFESSION, OR KIND OF BUSINESS

- Are you a citizen or resident of the United States? *Yes*
- If you filed a return for 1926, to what Collector's office was it sent? *Los Angeles*
- Is this a separate return for you? *No*
- State name of husband or wife if a separate return was made and the Collector's office where it was filed. *None*
- Were you married and living with husband or wife on the last day of your taxable year? *Yes*
- If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you? *No*
- If your status is respect to questions 5 and 6 changed during the year, state date of such change. *No*
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable year? *No*

INCOME

- Salaries, Wages, Commissions, etc. (State name and address of person from whom received. Total) *None*
- Income from Bonds or other securities (From Schedule A) *4,070.21*
- Interest on Bonds, Deposits, Notes, Corporation Bonds, etc. (except interest upon which a tax was paid at source) *296.76*
- (a) Interest on Tax-Free Covenant Bonds Upon Which a Tax was Paid at Source *Municipal Bonds 2,236.73*
- Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.) *60.49*
- Rents and Royalties. (From Schedule B) *2.36*
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C) *10.16*
- Dividends on Stock of Domestic Corporations *636.1*
- Taxable Interest on Liberty Bonds, etc. (From Schedule D) *None*
- Other Income (including dividends received on stock of foreign corporations) (State nature of source) *None*

FIELD AGENT

POSTING
MAR 19 1927
DATE

TOTAL INCOME IN ITEMS 1 TO 9

DEDUCTIONS

- Interest Paid. (Explain in Schedule F)
- Taxes Paid. (Explain in Schedule F)
- Losses by Fire, Storm, etc. (Explain in Schedule F)
- Bad Debts. (Explain in Schedule F)
- Contributions. (Explain in Schedule F)
- Other Deductions Authorized by Law. (Explain in Schedule F)
- Total Deductions in Items 11 to 16
- Net Income. Item 10 minus Item 17

COMPUTATION OF TAX See Instruction 21.

- Earned Net Income not over \$20,000
- Less Personal Exemption and Credit for Dependents (see Instruction 20)
- Balance Item 19 minus 20
- Amount taxable at 1 1/2% (not over the first \$1,000 of Item 21)
- Amount taxable at 3% (not over the second \$1,000 of Item 21)
- Amount taxable at 5% (balance over \$2,000 of Item 21)
- Normal Tax 1 1/2% of Item 22
- Normal Tax 3% of Item 23
- Normal Tax 5% of Item 24
- Tax on Item 19 (see Instruction 21)
- Tax on Earned Net Income. Total of
- Net Income. Item 18 above
- Less Dividends Item 8
- Interest on Liberty Bonds, etc. Item 9
- Personal Exemption
- Credit for Dependents
- Total of Items 32, 33, 34, and 35
- Balance Item 31 minus 36
- Amount taxable at 1 1/2% (not over the second \$1,000 of Item 37)
- Balance Item 37 minus 38
- Amount taxable at 3% (not over the second \$1,000 of Item 37)
- Normal Tax 1 1/2% of Item 39
- Normal Tax 3% of Item 40
- Normal Tax 5% of Item 41
- Balance Item 39 minus 42
- Ad. Payment for Capital Gain or Loss (Schedule D)
- Total Tax (total of difference between Items 48 and 49)
- Less Income Tax Paid at Source
- Income and Profit Taxes (total of)

Conduct

OTHER BUSINESS DEDUCTIONS	
1. Material and supplies	70328 76
2. Merchandise bought for sale	70328 82
3. Other costs (Itemize below or on separate sheet)	70328 86
4. First inventory at beginning of year	36364 88
5. TOTAL (Lines 2 to 4, inclusive)	322274 92
6. Last inventory at end of year	29003 94
7. NET COST OR COSTS SOLD (Line 5 minus Line 6)	293270 96
8. Depreciation, exclusive of "Labor," reported on Line 3, and exclusive of compensation for your services	
9. Interest on business indebtedness to others	
10. Taxes on business and business property	
11. Losses by fire, storm, etc. (explain in table provided therefor at foot of page)	
12. Bad debts arising from sales	
13. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)	7250
14. Rent, repairs, and other expenses (Itemize below or on separate sheet)	
15. TOTAL (Lines 8 to 14, inclusive)	7250
16. TOTAL DEDUCTIONS (Line 9 plus Line 15)	293270
17. NET PROFIT (Line 1 minus Line 16) (Enter as Item 7)	

Explanation of deductions claimed on Lines 8 and 16. *Wages & Tax on Production Credit - 25% 7250*

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1915	5. DEPRECIATION (Explain in table at foot of page)	6. REPAIRS	7. OTHER EXPENSES (Itemize below)
14. <i>Home Dwellings</i>	7839	253	29450	1178		

Explanation of deductions claimed in Column 7

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWABLE SINCE ACQUISITION	5. COST	6. VALUE AS OF MARCH 1, 1915	7. NET PROFIT (Explain below)
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State how property was acquired

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 7)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. COST	7. VALUE AS OF MARCH 1, 1915	8. NET GAIN OR LOSS (Explain below)
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State how property was acquired

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 8)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR DEDUCTIBLE	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT PAID OR RECEIVED	5. ADJUSTMENT (Explain below)
(a) Obligations of a State, Territory, or possession, or of a subdivision thereof, or the District of Columbia				
(b) Securities issued under Federal Farm Loan Act, or under such Act as Amended				
(c) Liberty 4½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States				
(d) Liberty 4½% and 4¼% Bonds, Treasury 5¼%, 4½%, and 4¼% Bonds, Treasury Certificate of Indebtedness, and Treasury (War) Savings Certificate				
(e) Treasury Notes				
(f) Interest to July 2, 1926, on United States 4½% and 4¼% Bonds owned in excess of \$5,000 of the obligations enumerated on Line (d)				

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15

Depreciation on Home Dwellings

Depreciation on Automobile

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE WHEN ACQUIRED	4. PRINCIPAL LIFE AFTER ACQUISITION	5. COST	6. VALUE AS OF MARCH 1, 1915	7. DEPRECIATION (Explain below)
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EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 11

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1915	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. LOSS BY FIRE, STORM, ETC. (Explain below)	7. NET LOSS (Explain below)
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AFFIDAVIT

I swear or affirm that this return, including the accompanying schedules and statements (if any), has been examined by me and to the best of my knowledge and belief is true and correct and that I am not aware of any fraud or other illegal practice in connection with the same.

(If return is made by agent, the name thereof must be stated on this line)

Sworn to and subscribed before me this *10th* day of *April*, 1927

State of Georgia
 1. Labor 46389 25
 2. Material and supplies 23285 64
 3. Merchandise bought for sale
 4. Other costs (itemize below or on separate sheet)
 5. Plus inventory at beginning of year 2900 31
 6. TOTAL (Lines 3 to 5, inclusive) 20669 18
 7. Less inventory at end of year 23285 23
 8. NET COST OF GOODS SOLD (Line 7 minus Line 6) 8174 95
 9. NET COST OF GOODS SOLD (Line 7 minus Line 6)
 10. Subtotal, exclusive of "Labor" reported on Line 1, and exclusive of compensation for your services
 11. Interest on business indebtedness to others
 12. Taxes on business and business property
 13. Losses by fire, storm, etc. (explain in table provided therefor at foot of page)
 14. Bad debts arising from sales or services
 15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page) 5800
 16. Rent, repairs, and other expenses (itemize below or on separate sheet)
 17. TOTAL (Lines 10 to 16, inclusive) 85700
 18. TOTAL DEDUCTIONS (Line 9 plus Line 17)
 19. NET INCOME (Line 1 minus Line 18) (Enter as Item 2) 75

Explanation of deductions claimed on Lines 5 and 16.

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1912	5. DEPRECIATION (Explain in table at foot of page)	6. REPAIRS	7. OTHER EXPENSES (Itemize below)
1. Capital gain	6650 00			1178 00		547

Explanation of deductions claimed in Column 7.

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWABLE UNDER ACQUISITION	5. COST	6. VALUE AS OF MARCH 1, 1912	7. OTHER IMPROVEMENTS

State how property was acquired.

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWABLE UNDER ACQUISITION	6. COST	7. VALUE AS OF MARCH 1, 1912	8. OTHER IMPROVEMENTS

State how property was acquired.

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 9)

1. OBLIGATION OR SECURITY	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OF INTEREST EXEMPT
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia			All	XXXXX
(b) Securities issued under Federal Farm Loan Act, or under such Act as Amended			All	XXXXX
(c) Liberty Bonds and United States Bonds issued before September 1, 1917, and obligations of possession of the United States			All	XXXXX
(d) Liberty Bonds and United States Bonds issued after September 1, 1917, and obligations of possession of the United States			\$5,000	
(e) Treasury Notes			None	

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16

None + Depreciation on Capital gain

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE WHEN DEPRECIATION BEGAN	4. DEPRECIATION PER ANNUM	5. COST (Exclusive of Land)	6. VALUE AS OF MARCH 1, 1912 (Exclusive of Land)	7. DEPRECIATION

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE WHEN LOSS OCCURRED	4. VALUE AS OF MARCH 1, 1912	5. DEPRECIATION ALLOWABLE UNDER ACQUISITION	6. LOSS	7. OTHER IMPROVEMENTS

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1929

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1930

PRINT NAME AND ADDRESS PLAINLY BELOW

Peter L. Ferry

3030 Chevy Chase Drive

Glendale

Los Angeles Cal

Occupation - Contractor

Painting & Decorating

Additional
Penalty
Deductions
Interest
Total
Overpayment
Refund
Paid by
List and
Account No.
Date to which
Int. computed

1. Are you a citizen or resident of the United States?
2. If you filed a return for 1928, to what Collector's office was it sent?
3. Is this a joint return of husband and wife?
4. State name of husband or wife if a separate return was made and the collector's office where it was sent.

INCOME

1. Salaries, Wages, Commissions, etc.

suppl. rate?

2. Income from Business or Profession

3. Interest on Bank Deposits, Notes, Corporate Bonds, etc.

4. Interest on Tax-free Government Bonds Upon Which a Tax is Paid

5. Income from Partnerships

6. Income from Real Estate

7. Pensions and Annuities

8. Profit from Sale of Real Estate, Stocks, Bonds, etc.

9. Dividends from Domestic Corporations

10. Taxable Interest on Loans, Bonds, etc.

11. Other Income

Total Income in Items 1-11

DEDUCTIONS

1. Taxes Paid

2. Losses from Fire, Storm, etc.

3. Losses from Theft, etc.

4. Contributions

5. Other Deductions

Total Deductions in Items 1-5

Net Income from Items 1-11

EARNED INCOME CREDIT

1. Earned Income Credit

2. Less Personal Exemptions

3. Less Amount Taxed at 14%

4. Amount Taxed at 14%

5. Amount Taxed at 3%

6. Amount Taxed at 5%

7. Normal Tax

8. Normal Tax

9. Normal Tax

10. Normal Tax

11. Normal Tax

12. Normal Tax

13. Normal Tax

14. Normal Tax

15. Normal Tax

COMPUTATION OF TAX

1. Normal Tax

2. Less Personal Exemptions

3. Less Amount Taxed at 14%

4. Amount Taxed at 14%

5. Amount Taxed at 3%

6. Amount Taxed at 5%

7. Normal Tax

8. Normal Tax

9. Normal Tax

10. Normal Tax

11. Normal Tax

12. Normal Tax

13. Normal Tax

14. Normal Tax

15. Normal Tax

AFFIDAVIT

I am a citizen of the United States and I am not a resident of any foreign country.

I am not a partner in any partnership.

I am not a member of any corporation.

1-20 PERSON (See Instruction 7)

Contractor Building Company

OTHER BUSINESS DEDUCTIONS	
1. Material and supplies	19086 95
2. Merchandise bought for sale	116 609 73
3. Other costs (itemize below or on separate sheet)	
4. Plus inventory at beginning of year	
5. Total (Lines 2 to 4)	135 576 78
6. Less inventory at end of year	
7. Net cost of Goods Sold (Line 5 minus Line 6)	135 576 78
Enter "C," "O" or "M," on Lines 8 and 9 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.	
8. Explanation of deductions claimed on Lines 5 and 10.	
10. Salaries not included as "Labor," in Line 2. (Do not deduct compensation for your services)	
11. Interest on business indebtedness to others	
12. Taxes on business and business property	
13. Losses (explain in table at foot of page)	
14. Bad debts arising from sales or services	
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	5186
16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
17. Total (Lines 10 to 16)	5186
18. TOTAL DEDUCTIONS (Line 7 plus Line 17)	
19. NET PROFIT (Line 1 minus Line 18) (Enter as Item 2)	

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AT END OF YEAR (1933) WHEN RECEIVED	4. DEPRECIATION (If taken in 1933 at foot of page)	5. REPAIRS	6. OTHER DEDUCTIONS
14 Frame Dwellings	3222 50	14 700 00	5 88 00		
Rent 30 Acres Vacant Land	1828 18				
Total					

Explanation of deductions claimed in Column 6

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWANCE SINCE ACQUISITION	5. COST OR VALUE AT END OF YEAR (1933) WHEN RECEIVED	6. OTHER DEDUCTIONS
150+150 Vacant Lot	1912	5700 00		4500 00	750
Home in North City	1928	4125 77		1700 00	

State how property was acquired

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWANCE SINCE ACQUISITION	6. COST OR VALUE AT END OF YEAR (1933) WHEN RECEIVED	7. OTHER DEDUCTIONS
	No Day Year	No Day Year	\$	\$	\$	\$

State how property was acquired

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 9)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACQUIRED	3. AMOUNT FORWARDED TO PAYEE	4. TAXES PAID	5. AMOUNT RECEIVED BY TAXPAYER
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	\$	\$
(b) Securities issued under Federal Farm Loan Act or as Antitrust, and Certificates of Indebtedness issued after June 17, 1929	\$	\$	\$	\$
(c) Liberty 3 1/2% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions	\$	\$	\$	\$
(d) Liberty 4% and 4 1/2% Bonds, Certificates of Indebtedness issued before June 18, 1929, Treasury Bonds and Savings Certificates	\$	\$	\$	\$
(e) Treasury Notes	\$	\$	\$	\$

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

None and full on Contractor's Profit Statement

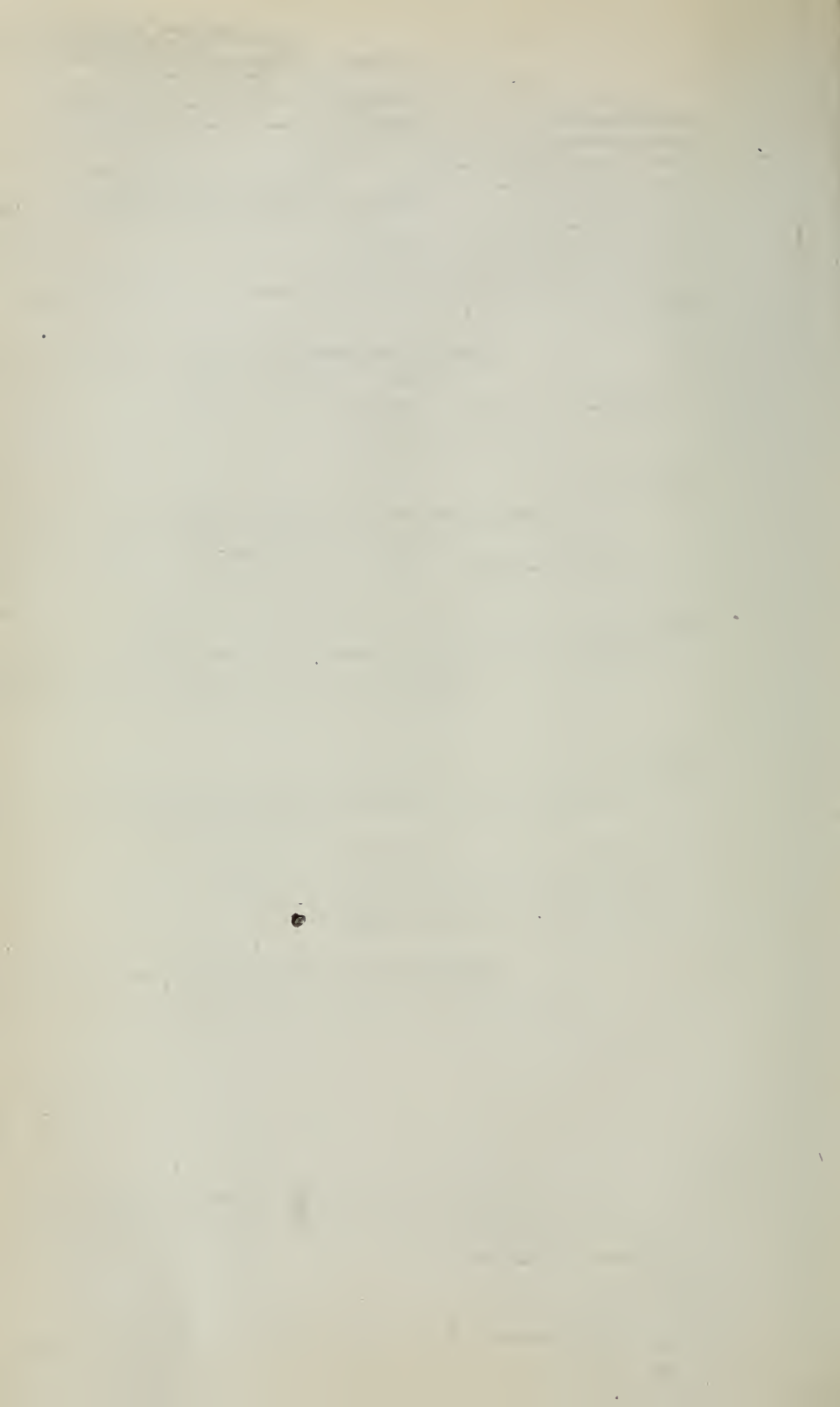
Duration of 12 months from 1933 to 1934

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. A. WHEN ACQUIRED	4. DEPRECIATION AFTER ACQUISITION	5. COST OR VALUE AT END OF YEAR (1933) WHEN RECEIVED	6. AMOUNT RECEIVED
Frame Construction	1920		\$	\$	\$

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. A. WHEN ACQUIRED	4. DEPRECIATION AFTER ACQUISITION	5. COST OR VALUE AT END OF YEAR (1933) WHEN RECEIVED	6. AMOUNT RECEIVED
			\$	\$	\$



INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1929

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1930

PRINT NAME AND ADDRESS PLAINLY BELOW

Mrs Peter L Ferry
3030 CHEVY CHASE DRIVE
Glendale Los Angeles Cal
(Post office) (County) (State)
Occupation *House Wife*

DEFENDANT
Deficiency Tax \$
Add'l. Penalty
Deficiency Interest
Total \$
Overpayment \$
Refund \$
Date to which
Int. computed

- Are you a citizen or resident of the United States? *yes*
- If you filed a return for 1928, to what Collector's office did it sent? *Los Angeles*
- Is this a joint return of husband and wife? *no*
- State name of husband or wife if separate return was made and the Collector's office where it was sent. *Peter L Ferry*

- Were you married and living with husband or wife on the last day of your taxable year? *yes*
- If not, were you on the last day of your taxable year supported in your household one or more persons closely related to you?
- If your status in respect to questions 5 and 6 changed during the year, state date and nature of change.
- How many dependent persons (other than husband or wife 18 years of age or incapable of self-support were receiving chief support from you on the last day of your taxable year?

INCOME

- Salaries, Wages, Commissions, etc. (State name and address of employer) Amount received Expenses paid (Explain in Schedule F)
- Income from Business or Profession. (From Schedule A)
- Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)
- Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
- Income from Partnerships. (State name and address)
- Income from Fiduciaries. (State name and address)
- Rents and Royalties. (From Schedule E)
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- Dividends on Stock of Domestic Corporations
- Taxable Interest on Liberty Bonds, etc. (From Schedule E)
- Other Income (including dividends on stock of foreign corporations). (State nature of income)

DEDUCTIONS

- Interest Paid. (Explain in Schedule F)
- Taxes Paid. (Explain in Schedule F)
- Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)
- Bad Debts. (Explain in Schedule F)
- Contributions. (Explain in Schedule F)
- Other Deductions Authorized by Law. (Explain in Schedule F)
- Total Deductions in Items 13 to 19
- Net Income (Item 12 minus Item 19)

Perry No. 21602
EXHIBIT
No. 4
Filed 6/7 1943
Clerk.
Carroll
DEPUTY CLERK.

EARNED INCOME CREDIT

- Earned Income (not over \$30,000) \$5,000
- Less: Personal Exemption and Credit for Dependents \$300
- Balance (Item 21 minus 22) \$4,700
- Amount taxable at 1 1/2% (not over \$4,000) \$4,000
- Amount taxable at 3% (not over \$4,000) 200
- Amount taxable at 5% (balance over \$4,000 of Item 23)
- Normal Tax (1 1/2% of Item 21) \$60
- Normal Tax (3% of Item 23) 6
- Normal Tax (5% of Item 26)
- Surtax on Item 21
- Tax on Earned Net Income (total of Items 27 to 30)
- Credit of 25% of Tax (not over 25% of Items 30, 44, 45, and 46)

COMPUTATION OF TAX (See instruction 23)

- Net Income (Item 20 above) \$7408 45
- Less: Dividends (Item 9), Interest on Liberty Bonds, etc. (Item 10)
- Credit for Dependents
- Personal Exemption
- Total of Items 34 to 37
- Balance (Item 33 minus 38)
- Amount taxable at 1 1/2% (not over \$4,000)
- Amount taxable at 3% (not over \$4,000)
- Amount taxable at 5% (Item 41 minus Item 42)
- Normal Tax (1 1/2% of Item 40)
- Normal Tax (3% of Item 42)
- Normal Tax (5% of Item 43)
- Surtax on Item 29 (see instruction 25)
- Tax on Net Income (total of Items 44 to 47)
- Tax on Capital Gain or Loss (12 1/2% of Col. A, Sched. B)
- Total of difference between Items 48 and 49
- Less Credit of 25% of Tax on Earned Income (Item 32)
- Total Tax (Item 50 minus 51)
- Less Income Tax Paid at Source
- Income Tax paid to a foreign country or U. S. possession
- Balance of Tax (Item 52 minus Items 53 and 54)

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1923 and the Regulations thereunder.

(If return is made by agent, the reason therefor must be stated on this line)

Sworn to and subscribed before me this 11 day of May, 1930

NOTARIAL

Mrs. P. L. Ferry
3030 Chevy Chase Drive
Glendale, California

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOME FROM SALARIES OR WAGES OF MORE THAN \$100
AND FROM BUSINESS, PROFESSION, OR SERVICE OF MORE THAN \$100

For Calendar Year 1929

The Taxpayer Was Not a Resident of the United States on January 1, 1929

NAME (Last, First, and Middle Initial)

1929-1-1

3030 CHURCH ST.

CLEVELAND

Occupation

Form with fields for Name, Address, and other personal information.

1. Was a member of a household of the taxpayer's family?

INCOME

(From salaries, wages, or other income)

1929-1-1

1929-1-1

1929-1-1

Form with fields for Name, Address, and other personal information.

DEDUCTIONS

1. Deductions from income

INCOME AND DEDUCTIONS

COMPUTATION

1	Net income	1000
2	Less: Deductions	200
3	Net income	800
4	Less: Tax	100
5	Net income	700
6	Less: Tax	100
7	Net income	600
8	Less: Tax	100
9	Net income	500
10	Less: Tax	100
11	Net income	400
12	Less: Tax	100
13	Net income	300
14	Less: Tax	100
15	Net income	200
16	Less: Tax	100
17	Net income	100
18	Less: Tax	100
19	Net income	0
20	Less: Tax	100
21	Net income	0
22	Less: Tax	100
23	Net income	0
24	Less: Tax	100
25	Net income	0
26	Less: Tax	100
27	Net income	0
28	Less: Tax	100
29	Net income	0
30	Less: Tax	100
31	Net income	0
32	Less: Tax	100
33	Net income	0
34	Less: Tax	100
35	Net income	0
36	Less: Tax	100
37	Net income	0
38	Less: Tax	100
39	Net income	0
40	Less: Tax	100
41	Net income	0
42	Less: Tax	100
43	Net income	0
44	Less: Tax	100
45	Net income	0
46	Less: Tax	100
47	Net income	0
48	Less: Tax	100
49	Net income	0
50	Less: Tax	100
51	Net income	0
52	Less: Tax	100
53	Net income	0
54	Less: Tax	100
55	Net income	0
56	Less: Tax	100
57	Net income	0
58	Less: Tax	100
59	Net income	0
60	Less: Tax	100
61	Net income	0
62	Less: Tax	100
63	Net income	0
64	Less: Tax	100
65	Net income	0
66	Less: Tax	100
67	Net income	0
68	Less: Tax	100
69	Net income	0
70	Less: Tax	100
71	Net income	0
72	Less: Tax	100
73	Net income	0
74	Less: Tax	100
75	Net income	0
76	Less: Tax	100
77	Net income	0
78	Less: Tax	100
79	Net income	0
80	Less: Tax	100
81	Net income	0
82	Less: Tax	100
83	Net income	0
84	Less: Tax	100
85	Net income	0
86	Less: Tax	100
87	Net income	0
88	Less: Tax	100
89	Net income	0
90	Less: Tax	100
91	Net income	0
92	Less: Tax	100
93	Net income	0
94	Less: Tax	100
95	Net income	0
96	Less: Tax	100
97	Net income	0
98	Less: Tax	100
99	Net income	0
100	Less: Tax	100

REMARKS

1. Name of taxpayer

2. Address of taxpayer

3. Date of filing

1. Total receipts from business or profession (state kind of business)

Cost of Goods Sold	
2. Labor	\$
3. Material and supplies	
4. Merchandise bought for sale	
5. Other costs (itemize below or on separate sheet)	
6. Plus inventory at beginning of year	
7. TOTAL (Lines 2 to 6)	\$
8. Less inventory at end of year	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	\$

Enter "C," or "M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed on Lines 3 and 18.

OTHER BUSINESS DEDUCTIONS

10. Salaries not included as "Labor," in Line 2. (Do not deduct compensation for your services)	\$
11. Interest on business indebtedness to others	
12. Taxes on business and business property	
13. Losses (explain in table at foot of page)	
14. Bad debts arising from sales or services	
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	
16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
17. TOTAL (Lines 10 to 16)	\$
18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	
19. NET PROFIT (Line 1 minus Line 18) (Enter as Item 2)	

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHEREVER GREATER	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Itemize below)
14 Frame Dwellings	32.22	50	14700.00	588.00	
Rent 30 Acres Vacant Land	18.28	18			

Explanation of deductions claimed in Column 6.

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWABLE SINCE ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHEREVER GREATER	6. SUBSEQUENT IMPROVEMENTS
150 x 150 Vacant Lot	1910	5700.00		4500.00	750.00
Kimmer Motor Corp	1928	419.50		1700.00	

State how property was acquired.

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 9)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. COST OR VALUE AS OF MARCH 1, 1913, WHEREVER GREATER	7. SUBSEQUENT IMPROVEMENTS, CAPITAL GAINS
	Mo. Day Year	Mo. Day Year	\$	\$	\$	\$

State how property was acquired.

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 10)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IS EXEMPT FROM TAXATION
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All	XXXXXX
(b) Securities issued under Federal Farm Loan Act or as Amended, and Certificates of Indebtedness issued after June 17, 1929			All	XXXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions			All	XXXXXX
(d) Liberty 4½% and 4½% Bonds, Certificates of Indebtedness issued before June 18, 1929, Treasury Bonds and Savings Certificates			\$5,000.	\$
(e) Treasury Notes			None	

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROPORTION LIFE AFTER ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHEREVER GREATER (Explain in table)	6. AMOUNT OF LOSS
Frame Construction	1920			4700.00	4%

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN IT

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AS OF MARCH 1, 1913, WHEREVER GREATER	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. REPAIRS AND REPLACEMENT
		\$	\$	\$	\$

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1930

File This Return With the Collector of Internal Revenue for Your District on or Before **JAN 18 1931**

PRINT NAME AND ADDRESS PLAINLY BELOW

Peter L. Ferry

Glendale Cal 3030 Chevy Chase

Glendale

Los Angeles Cal

Occupation **Contractor Putting Conchady Machinery**

Do Not Write in These Spaces
908
821441
8 C
RECEIVED
MAR 13 1931
11-4
Duty Dollars
6th District
Cash Clerk M. O. C.

- Are you a resident of the United States?
- If you filed a return for 1929, to what Collector's office was it sent?
- Is this a joint return of husband and wife?
- State name of husband or wife if a separate return was made and the Collector's office where it was sent

Yes
Los Angeles
Yes
Mr Peter L Ferry

- Were you married and living with husband or wife on the last day of your taxable year?
- If not, were you on the last day of your taxable year supporting in your household one or more persons closely related to you?
- If your status in respect to questions 5 and 6 changed during the year, state date and nature of change.
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support were receiving their support from you on the last day of your taxable year?

Yes
No
No
0

INCOME

- Salaries, Wages, Commissions, etc. (State name and address of employer)
- Income from Business or Profession (From Schedule A)
Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)
- Interest on Tax-free Government Bonds Upon Which a Tax was Paid at Source
- Income from Partnerships (State name and address)
- Income from Laboratories (State name and address)
- Rents and Royalties (From Schedule C)
Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
Taxable Dividends, etc. (From Schedule C)
Dividend on Stock of Domestic Corporation
- Other Income including dividends on stock of foreign corporations (state nature of income)

Glendale Trust Co, 3030 Chevy Chase
Security Trust Return

16 718 41
9 052 57
18 034 77
10 311 50
669 50
2 240 48
40 386 32
25 675

DEDUCTIONS

- Interest Paid
- Taxes Paid (From Schedule D)
- Taxes Paid on State Income Tax (From Schedule D)
- Taxes Paid on Federal Income Tax (From Schedule D)
- Charitable Contributions (From Schedule E)
- Contributions to United Charitable Fund (From Schedule E)
- Contributions to United Charitable Fund (From Schedule E)
- Contributions to United Charitable Fund (From Schedule E)
- Contributions to United Charitable Fund (From Schedule E)
- Contributions to United Charitable Fund (From Schedule E)

2600 52
9 087 57
1 565 50

EARNED INCOME CREDIT

COMPUTATION OF TAX (See Instruction 23)

- Normal Tax (15% of Item 40)
- Normal Tax (3% of Item 42)
- Normal Tax (15% of Item 43)
- Surplus on Item 20 (see Instruction 23)
- Tax on Capital Gain or Loss (12 1/2% of Col 8, Sched D)
- Total of difference between Items 48 and 49
- Less Credit of 25% of tax on Earned Income (Item 41)
- Total Tax (Item 50 minus Item 51)
- Less Income Tax Paid at Source
- Income Tax paid to foreign countries or U.S. possessions
- Balance of Tax (Item 52 minus Items 43 and 54)

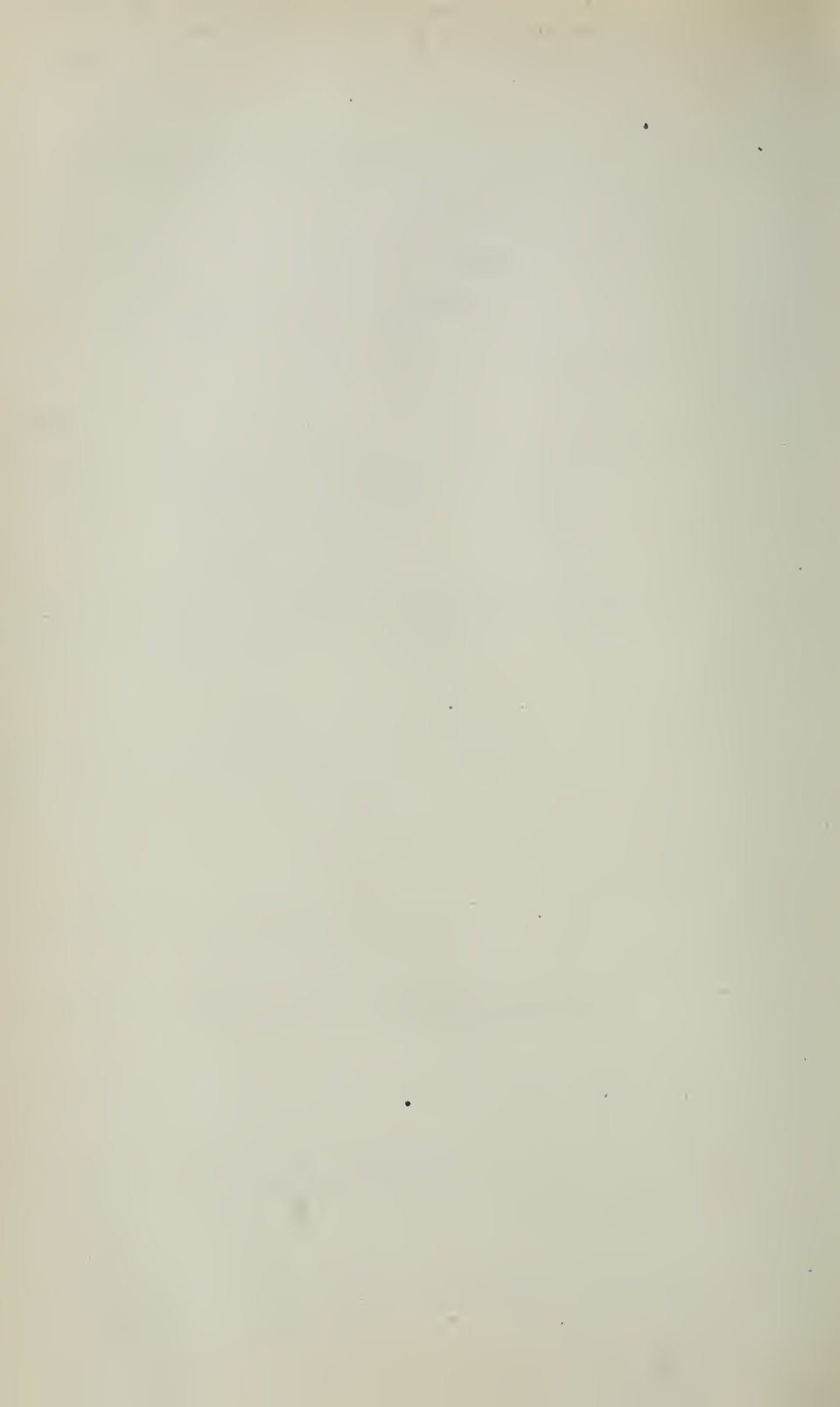
- Net Income (Item 20 above)
- Less: Bond Interest (Item 9)
- Dividends (Item 10)
- Credit for Dependents
- Personal Exemption
- Total of Items 34 to 37
- Balance (Item 33 minus 38)
- Amount taxable at 1 1/2% (not over \$1,000)
- Balance (Item 39 minus 40)
- Amount taxable at 3% (not over \$1,000)
- Amount taxable at 5% (Item 41 minus 42)

10928 12
3500 00
3500 00
6923 12
4000 00
2923 12
10928 12
2600 52
9087 57
1565 50
13 253
10 422

AFFIDAVIT

I declare under oath that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my knowledge and belief is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1925 and the Regulations issued thereunder.

[illegible]



Form 1040
INTERNAL REVENUE SERVICE
 A (Single Person)
 DEDUCTIONS
 1. Personal
 2. National
 3. State
 4. Local
 5. Federal
 6. Other
 7. Total
 8. Date to which
 9. Not computed

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
 AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1930

File This Return With the Collector of Internal Revenue for Your District on or Before APR 15 1931

PRINT NAME AND ADDRESS PLAINLY BELOW

Mrs Peter L Ferry
 (Name)
3030 Chevy Chase
 (Street and number, or rural route)
Glendale Los Angeles Cal
 (Post office) (County) (State)
 Occupation _____

- Are you a citizen or resident of the United States? Yes
- If you filed a return for 1929, to what Collector's office was it sent? Los Angeles
- Is this a joint return of husband and wife? No
- State name of husband or wife if separate return was made and the Collector's office where it was sent Los Angeles Cal
- Were you married and living with husband or wife on the last day of your taxable year? _____
- If not, were you on the last day of your taxable year in your household one or more persons closely related in your status in respect to questions 5 and 6 and during the year, state date and nature of change? _____
- How many dependent persons (other than husband or wife) 18 years of age or incapable of self-support were received support from you on the last day of your taxable year? _____

INCOME

- Salaries, Wages, Commissions, etc. (State name and address of employer) Amount received _____ Expenses paid (Explain in Schedule E) _____
- Income from Business or Profession. (From Schedule A) _____
- Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds) _____
- Interest on Tax-free Covenant Bonds 2990 Which Tax was Paid at Source. _____
- Income from Partnerships. (State name and address) _____
- Income from Fiduciaries. (State name and address) 267 **FEB 20 1933**
- Rents and Royalties. (From Schedule B) _____
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C) _____
- Taxable Interest on Liberty Bonds, etc. (From Schedule F) _____
- Dividends on Stock of Domestic Corporations. _____
- Other Income (including dividends on stock of foreign corporations). (State nature of income) _____
- (a) _____
- (b) _____
- TOTAL INCOME IN ITEMS 1 TO 11 10 388 50

DEDUCTIONS

- Interest Paid. _____
- Taxes Paid. (Explain in Schedule F) _____
- Losses by Fire, Storm, etc. (Explain in Table at foot of page 2) _____
- Real Debts. (Explain in Schedule F) _____
- Contributions. (Explain in Schedule F) _____
- Other Deductions Authorized by Law. (Explain in Schedule F) _____
- TOTAL DEDUCTIONS IN ITEMS 13 TO 18 _____

EARNED INCOME CREDIT

21. Earned Income (Item 12 over \$30,000) \$	33. Net Income (Item 20 above) \$	41. Normal Tax (14 1/2% of Item 33) \$
22. Less Personal Exemption and Credit for Dependents \$	34. Liberty Bond Interest (Item 9) \$	42. Normal Tax (3% of Item 33) \$
23. Balance (Item 21 minus 22) \$	35. Dividends (Item 10) \$	43. Tax on Capital Gains (12 1/2% of Item 8, 8 1/2% of Item 9, 6% of Item 10) \$
24. Amount taxable at 14 1/2% (not over \$1,000) \$	36. Credit for Dependents \$	44. Total of Items 41, 42, and 43 \$
25. Amount taxable at 3% (not over \$4,000) \$	37. Personal Exemption \$	45. Total Tax (Item 44 minus Item 43) \$
26. Amount taxable at 5% (balance over \$5,000 of Item 23) \$	38. Total of Items 34 to 37 \$	46. Total Tax (Item 45 minus Item 44) \$
27. Normal Tax (14 1/2% of Item 24) \$	39. Balance (Item 33 minus 38) \$	47. Less Income Tax Paid at a lower rate or 1 1/2% (Item 46) \$
28. Normal Tax (3% of Item 25) \$	40. Amount taxable at 14 1/2% (not over \$1,000) \$	48. Balance of Tax (Item 47 minus Item 46) \$
29. Normal Tax (5% of Item 26) \$	41. Balance (Item 39 minus 40) \$	
30. Surplus on Item 21 \$	42. Amount taxable at 3% (not over \$4,000) \$	
31. Tax on Earned Net Income (total of Items 27 to 30) \$	43. Amount taxable at 5% (Item 41 minus 42) \$	
32. Credit of 25% of Tax (not over 25% of Items 30, 31, 44, and 46) \$		

COMPUTATION OF TAX (See Instruction 23)

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1928 and the Regulations thereunder.

1. Total receipts from business or profession (state kind of business)

Cost of Goods Sold	
2. Labor	\$
3. Material and supplies	\$
4. Merchandise bought for sale	\$
5. Other costs (itemize below or on separate sheet)	\$
6. Plus inventory at beginning of year	\$
7. TOTAL (Lines 2 to 6)	\$
8. Less inventory at end of year	\$
9. Net Cost of Goods Sold (Line 7 minus Line 8)	\$

Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed on Lines 6 and 8.

OTHER BUSINESS DEDUCTIONS	
10. Salaries not included as "Labor," in Line 2. (Do not deduct compensation for your services)	\$
11. Interest on business indebtedness to others	\$
12. Taxes on business and business property	\$
13. Losses (explain in table at foot of page)	\$
14. Bad debts arising from sales or services	\$
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	\$
16. Rent, repairs, and other expenses (itemized below or on separate sheet)	\$
17. TOTAL (Lines 10 to 16)	\$
18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	\$
19. Net Profit (Line 1 minus Line 18) (Enter on Item 2)	\$

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHENEVER GREATER	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER PAYMENTS
4 Farms Davidson Co	\$ 7003 00	\$ 29400 00	\$ 1176 00		
10 Acres Land	3700 00				
Ranch Evans County	11250 00				

Explanation of deductions claimed in Column 6.

One Half of above income paid by the State

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT REALIZED	4. DEPRECIATION ALLOWABLE SINCE ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHENEVER GREATER	6. SHORT-TERM IMPROVEMENTS
		\$	\$	\$	\$

State how property was acquired.

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 9)

1. KIND OF PROPERTY	2. DATE ACQUIRED Mo. Day Year	3. DATE SOLD Mo. Day Year	4. AMOUNT REALIZED	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. COST OR VALUE AS OF MARCH 1, 1913, WHENEVER GREATER	7. SHORT-TERM IMPROVEMENTS
			\$	\$	\$	\$

State how property was acquired.

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 10)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT IN U.S. GOVERNMENT
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All	XXXXX
(b) Securities issued under Federal Farm Loan Act, Treasury Bills, and Certificates of Indebtedness issued after June 17, 1920			All	XXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions			All	XXXXX
(d) Liberty 4% and 4½% Bonds, Certificates of Indebtedness issued before June 13, 1920, Treasury Bonds and Savings Certificates			\$5,000	\$
(e) Treasury Notes			None	

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROPOSED LIFE AFTER ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHENEVER GREATER	6. PERCENT ALLOWABLE DEPRECIATION
14 Farms Davidson Co	1920	New	25 Yrs	\$ 29400 00	4%

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AS OF MARCH 1, 1913, WHENEVER GREATER	4. SHORT-TERM IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. OTHER PAYMENTS
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INDIVIDUAL INCOME TAX RETURN

2722 REV ACT 1928
ADDIT

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1931

File This Return With the Collector of Internal Revenue for Your District on or Before

PRINT NAME AND ADDRESS PLAINLY BELOW

Peter L Ferry

3030 Chevy Chase

Glendale

Los Angeles

Cal

Occupation

Contractor

- 1. Are you a citizen of the United States? Yes
- 2. If you filed a return for 1930, what Collector's office was it made at? Los Angeles
- 3. Is this a joint return of husband and wife? No
- 4. State name of husband or wife if a separate return was made and the Collector's office where it was sent. Mr. Peter L. Ferry Los Angeles
- 5. Were you married and living with husband or wife on the last day of your taxable year? Yes
- 6. If not, were you on the last day of your taxable year in your household one or more persons closely related to you? No
- 7. If your status in respect to questions 5 and 6 changed during the year, state date and nature of change.
- 8. How many dependent persons (other than husband or wife) 15 years of age or incapable of self-support were received in chief support from you on the last day of your taxable year?

INCOME

- 1. Salaries, Wages, Commissions, etc. (State name and address of employer) Amount received Expenses paid (Explain in Schedule F) 3111918
- 2. Income from Business or Profession. (From Schedule A) 326917
- 3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)
- 4. Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
- 5. Income from Partnerships. (State name and address)
- 6. Income from Fiduciaries. (State name and address) Belgian Security Fund 2035843
- 7. Rents and Royalties. (From Schedule D) 1061162
- 8. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- 9. Taxable Interest on Liberty Bonds, etc. (From Schedule E)
- 10. Dividends on Stock of Domestic Corporations 140313
- 11. Other Income (including dividends on stock of foreign corporations). (State nature of income)
 - (a)
 - (b)3564245
- 12. TOTAL INCOME IN ITEMS 1 TO 11

DEDUCTIONS

- 13. Interest Paid
- 14. Taxes Paid. (Explain in Schedule F)
- 15. Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)
- 16. Bad Debts. (Explain in Schedule F)
- 17. Contributions. (Explain in Schedule F)
- 18. Other Deductions Authorised by Law. (Explain in Schedule F)
- 19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18
- 20. NET INCOME (Item 12 minus Item 19)

EARNED INCOME CREDIT

- 21. Earned Income (not over \$30,000) \$
- 22. Less Personal Exemption and Credit for Dependents
- 23. Balance (Item 21 minus 22) \$
- 24. Amount taxable at 1 1/2% (not over \$4,000) \$
- 25. Amount taxable at 3% (not over \$4,000) \$
- 26. Amount taxable at 5% (balance over \$8,000 of Item 23) \$
- 27. Normal Tax (1 1/2% of Item 24) \$
- 28. Normal Tax (3% of Item 25) \$
- 29. Normal Tax (5% of Item 26) \$
- 30. Surtax on Item 21
- 31. Tax on Earned Net Income (total of Items 27 to 30) \$
- 32. Credit of 25% of Tax (not over 25% of Items 30, 44, 45, and 46) \$

COMPUTATION OF TAX (See Instruction 23)

- 33. Net Income (Item 20 above) \$ 7896
- 34. Liberty Bond Interest (Item 9) \$
- 35. Dividends (Item 10) 146283
- 36. Credit for Dependents
- 37. Personal Exemption
- 38. Total of Items 34 to 37
- 39. Balance (Item 33 minus 38) \$
- 40. Amount taxable at 1 1/2% (not over \$4,000) \$
- 41. Balance (Item 39 minus 40) \$
- 42. Amount taxable at 3% (not over \$4,000) \$
- 43. Amount taxable at 5% (Item 41 minus 42) \$
- 44. Normal Tax (1 1/2% of Item 40) \$
- 45. Normal Tax (3% of Item 41) \$
- 46. Normal Tax (5% of Item 42) \$
- 47. Surtax on Item 20 (see Instruction 23)
- 48. Tax on Net Income (total of Items 44 to 47)
- 49. Tax on Capital Gain or (12 1/2% of Col. 8, Schedule 48)
- 50. Total of or difference between Items 48 and 49
- 51. Less Credit of 25% of Tax Earned Income (Item 32)
- 52. Total Tax (Item 50 minus 51)
- 53. Less Income Tax Paid at Source
- 54. Income Tax paid to a foreign country or U. S. possession
- 55. Balance of Tax (Item 52 minus Items 53 and 54)

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1928 and the Regulations thereunder.

See instruction 27

Sworn to and subscribed before me this 14 day of Mar 1932.

Peter L Ferry

INDIVIDUAL INCOME TAX RETURN

FOR NET EARNINGS FROM SALARIES OR WAGES OF MORE THAN \$200
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR EASE OF PROPERTY

For Calendar Year 1931

PRINT NAME AND ADDRESS PLAINLY HEREIN

Patricia Perry

3030 Cedar Lane

Chicago, Ill.

Married

INCOME

11,418.31

50,528.42

49,011.62

4,022.33

32,474.71

1,101.42

1,101.42

DEDUCTIONS

Handwritten notes and calculations in a box, including 'Total Deductions' and 'Net Income'.

EARNED INCOME CREDIT

33	Net Income (from line 22)	49,011.62
34	Excess of Deductions over Tax (from line 22)	1,101.42
35	Excess of Tax over Deductions (from line 22)	1,101.42
36	Excess of Tax over Deductions (from line 22)	1,101.42
37	Excess of Tax over Deductions (from line 22)	1,101.42
38	Excess of Tax over Deductions (from line 22)	1,101.42
39	Excess of Tax over Deductions (from line 22)	1,101.42
40	Excess of Tax over Deductions (from line 22)	1,101.42
41	Excess of Tax over Deductions (from line 22)	1,101.42
42	Excess of Tax over Deductions (from line 22)	1,101.42
43	Excess of Tax over Deductions (from line 22)	1,101.42
44	Excess of Tax over Deductions (from line 22)	1,101.42
45	Excess of Tax over Deductions (from line 22)	1,101.42
46	Excess of Tax over Deductions (from line 22)	1,101.42
47	Excess of Tax over Deductions (from line 22)	1,101.42
48	Excess of Tax over Deductions (from line 22)	1,101.42
49	Excess of Tax over Deductions (from line 22)	1,101.42
50	Excess of Tax over Deductions (from line 22)	1,101.42
51	Excess of Tax over Deductions (from line 22)	1,101.42
52	Excess of Tax over Deductions (from line 22)	1,101.42
53	Excess of Tax over Deductions (from line 22)	1,101.42
54	Excess of Tax over Deductions (from line 22)	1,101.42
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56	Excess of Tax over Deductions (from line 22)	1,101.42
57	Excess of Tax over Deductions (from line 22)	1,101.42
58	Excess of Tax over Deductions (from line 22)	1,101.42
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61	Excess of Tax over Deductions (from line 22)	1,101.42
62	Excess of Tax over Deductions (from line 22)	1,101.42
63	Excess of Tax over Deductions (from line 22)	1,101.42
64	Excess of Tax over Deductions (from line 22)	1,101.42
65	Excess of Tax over Deductions (from line 22)	1,101.42
66	Excess of Tax over Deductions (from line 22)	1,101.42
67	Excess of Tax over Deductions (from line 22)	1,101.42
68	Excess of Tax over Deductions (from line 22)	1,101.42
69	Excess of Tax over Deductions (from line 22)	1,101.42
70	Excess of Tax over Deductions (from line 22)	1,101.42
71	Excess of Tax over Deductions (from line 22)	1,101.42
72	Excess of Tax over Deductions (from line 22)	1,101.42
73	Excess of Tax over Deductions (from line 22)	1,101.42
74	Excess of Tax over Deductions (from line 22)	1,101.42
75	Excess of Tax over Deductions (from line 22)	1,101.42
76	Excess of Tax over Deductions (from line 22)	1,101.42
77	Excess of Tax over Deductions (from line 22)	1,101.42
78	Excess of Tax over Deductions (from line 22)	1,101.42
79	Excess of Tax over Deductions (from line 22)	1,101.42
80	Excess of Tax over Deductions (from line 22)	1,101.42
81	Excess of Tax over Deductions (from line 22)	1,101.42
82	Excess of Tax over Deductions (from line 22)	1,101.42
83	Excess of Tax over Deductions (from line 22)	1,101.42
84	Excess of Tax over Deductions (from line 22)	1,101.42
85	Excess of Tax over Deductions (from line 22)	1,101.42
86	Excess of Tax over Deductions (from line 22)	1,101.42
87	Excess of Tax over Deductions (from line 22)	1,101.42
88	Excess of Tax over Deductions (from line 22)	1,101.42
89	Excess of Tax over Deductions (from line 22)	1,101.42
90	Excess of Tax over Deductions (from line 22)	1,101.42
91	Excess of Tax over Deductions (from line 22)	1,101.42
92	Excess of Tax over Deductions (from line 22)	1,101.42
93	Excess of Tax over Deductions (from line 22)	1,101.42
94	Excess of Tax over Deductions (from line 22)	1,101.42
95	Excess of Tax over Deductions (from line 22)	1,101.42
96	Excess of Tax over Deductions (from line 22)	1,101.42
97	Excess of Tax over Deductions (from line 22)	1,101.42
98	Excess of Tax over Deductions (from line 22)	1,101.42
99	Excess of Tax over Deductions (from line 22)	1,101.42
100	Excess of Tax over Deductions (from line 22)	1,101.42

REMARKS

Handwritten notes and calculations at the bottom of the page, including 'Total Income' and 'Net Income'.

1. Total receipts from business or profession (state kind of business)

COST OF GOODS SOLD	
2. Labor	15931 15
3. Material and supplies	36726 80
4. Merchandise bought for sale	
5. Other costs (itemize below or on separate sheet)	
6. Plus inventory at beginning of year	
7. TOTAL (Lines 2 to 6)	52057 95
8. Less inventory at end of year	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	52057 95

OTHER BUSINESS DEDUCTIONS

10. Salaries not included as "Labor" in Line 2. Do not deduct compensation for your services	
11. Interest on business indebtedness to others	
12. Taxes on business and business property	
13. Losses (explain in table at foot of page)	
14. Bad debts arising from sales or services	
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	
16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
17. TOTAL (Lines 10 to 16)	52057 95

Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	
19. NET PROFIT (Line 1 minus Line 18) (Enter as Item 2)	

Explanation of deductions claimed on Lines 6 and 16

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. GROSS VALUE AS OF MARCH 1, 1917, WHEN FIRST ACQUIRED	4. DEPRECIATION ALLOWABLE FROM ACQUISITION	5. REPAIRS	6. NET PROFIT (Income minus)
14 Trane Durborg Ranch, Bremer County	7399 25 15000 00	27400 00	1176 00		
1/2 of the land being to Mrs. O. L. Perry					

Explanation of deductions claimed in Column 6

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT REALIZED	4. DEPRECIATION ALLOWABLE FROM ACQUISITION	5. NET PROFIT (Income minus)	6. SUBSEQUENT IMPROVEMENTS

State how property was acquired

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 9)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT REALIZED	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. GROSS VALUE AS OF MARCH 1, 1917, WHEN FIRST ACQUIRED	7. NET GAIN OR LOSS
	Mo. Day Year	Mo. Day Year				

State how property was acquired

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 10)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. UNPAID AMOUNT RECEIVED FROM PAYMENT	5. AMOUNT PAID FOR INTEREST
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	6349 66			
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, Treasury Bills, and Treasury Certificates of Indebtedness				
(c) Liberty 3 1/2% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions				
(d) Liberty 4% and 4 1/2% Bonds, Treasury Bonds, and Treasury Savings Certificates				\$5,000
(e) Treasury Notes				None

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

Church Brought Ymca, Salvation Army, Elks
Revolving House & Property when Home Residence

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROPOSED LIFE AFTER ACQUISITION	5. GROSS VALUE AS OF MARCH 1, 1917, WHEN FIRST ACQUIRED	6. NET PROFIT
14 Trane Durborg	1920	New	25 years	27400 00	4%

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEMS 1, 14, 16, 17, AND 18

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. GROSS VALUE AS OF MARCH 1, 1917, WHEN FIRST ACQUIRED	4. SUBSEQUENT IMPROVEMENTS	5. TOTAL LOSS	6. NET PROFIT

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1931

File This Return With the Collector of Internal Revenue for Your District on or Before **March 15, 1932**

PRINT NAME AND ADDRESS PLAINLY BELOW

Mrs Peter L Ferry

3032 Cherry Chase

Glendale

Los Angeles

Cal

(Post office)

(County)

(State)

Occupation **House Wife**

- Are you a citizen or resident of the United States? **yes**
- If you filed a return for 1930, to what Collector's office was it sent? **Los Angeles Cal**
- Is this a joint return of husband and wife? **no**
- State name of husband or wife if separate return was made and the Collector's office where it was sent. **Peter L Ferry**

- Were you married and living with husband or wife on the last day of your taxable year?
- If not, were you on the last day of your taxable year in your household one or more persons closely related to you?
- If your status in respect to questions 5 and 6 changed during the year, state date and nature of change.
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support were received support from you on the last day of your taxable year?

INCOME

- Salaries, Wages, Commissions, etc. (State name and address of employer) Amount received \$ Expense paid (Explain in Schedule F) \$
- Income from Business or Profession. (From Schedule A)
- Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)
- Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
- Income from Partnerships. (State name and address)
- Income from Fiduciaries. (State name and address)
- Rents and Royalties. (From Schedule D)
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- Taxable Interest on Liberty Bonds, etc. (From Schedule E)
- Dividends on Stock of Domestic Corporations
- Other Income (including dividends on stock of foreign corporations). (State nature of income)

- (a)
- (b)

12. TOTAL INCOME IN ITEMS 1 TO 11

DEDUCTIONS

- Interest Paid
- Taxes Paid. (Explain in Schedule F)
- Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)
- Bad Debts. (Explain in Schedule F)
- Contributions. (Explain in Schedule F)
- Other Deductions Authorized by Law. (Explain in Schedule F)
- TOTAL DEDUCTIONS IN ITEMS 13 TO 18

20. NET INCOME (Item 12 minus Item 19)

EARNED INCOME CREDIT

- Earned Income (not over \$30,000) \$
- Less Personal Exemption and Credit for Dependents \$
- Balance (Item 21 minus 22) \$
- Amount taxable at 1 1/2% (not over \$1,000) \$
- Amount taxable at 3% (not over \$1,000) \$
- Amount taxable at 5% (balance over \$5,000 of Item 23) \$
- Normal Tax (1 1/2% of Item 24) \$
- Normal Tax (3% of Item 25) \$
- Normal Tax (5% of Item 26) \$
- Surtax on Item 21 \$
- Tax on Earned Net Income (total of Items 27 to 30) \$
- Credit of 25% of Tax (not over 25% of Items 20, 44, 45, and 46) \$

COMPUTATION OF TAX (See Instruction 23)

- Net Income (Item 20 above) \$ **617 30**
- Liberty Bond Interest (Item 9) \$
- Dividends (Item 10) \$
- Credit for Dependents \$ **7 15**
- Personal Exemption \$ **2400 00**
- Total of Items 34 to 37 \$ **2400 00**
- Balance (Item 23 minus 38) \$ **3767 30**
- Amount taxable at 1 1/2% (not over \$1,000) \$
- Balance (Item 39 minus 40) \$
- Amount taxable at 3% (not over \$1,000) \$
- Amount taxable at 5% (Item 41 minus 42) \$
- Normal Tax (1 1/2% of Item 38) \$
- Normal Tax (3% of Item 43) \$
- Normal Tax (5% of Item 44) \$
- Surtax on Item 41 \$
- Tax on Earned Net Income (total of Items 45 to 48) \$
- Balance of Tax (Item 52 minus 53 and 54) \$

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the Revenue Act of 1928 and the regulations thereunder.

See Instruction 27

Sworn to and subscribed before me this **14** day of **March**, 1932.

Mrs Peter L Ferry
(Signature)

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$200
AND INCOMES FROM BUSINESS, PROFESSION, OR SALE OF PROPERTY

For Calendar Year 1931

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DEDUCTIONS

EARNED INCOME CREDIT

1. Total receipts from business or profession (state kind of business)

COST OF GOODS SOLD

2. Labor _____ \$
 3. Material and supplies _____
 4. Merchandise bought for sale _____
 5. Other costs (itemize below or on separate sheet) _____
 6. Plus inventory at beginning of year _____
 7. **TOTAL (Lines 2 to 6)** _____ \$
 8. Less inventory at end of year _____
 9. **Net Cost of Goods Sold (Line 7 minus Line 8)** _____ \$

Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed on Lines 5 and 10 _____

OTHER BUSINESS DEDUCTIONS

10. Salaries not included as "Labor," in Line 2. (Do not deduct compensation for your services) _____ \$
 11. Interest on business indebtedness to others _____
 12. Taxes on business and business property _____
 13. Losses (explain in table at foot of page) _____
 14. Bad debts arising from sales or services _____
 15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page) _____
 16. Rent, repairs, and other expenses (itemize below or on separate sheet) _____
 17. **TOTAL (Lines 10 to 16)** _____ \$
 18. **TOTAL DEDUCTIONS (Line 9 plus Line 17)** _____
 19. **NET PROFIT (Line 1 minus Line 18) (Enter as Item 2)** _____

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHEN ACQUIRED	4. DEPRECIATION ALLOWABLE SINCE ACQUISITION (If more than 1 year, see page 11)	5. REPAIRS	6. OTHER EXPENSES (If more than 1 year, see page 11)
Rental on Times building	\$	\$	\$	\$	\$

Explanation of deductions claimed on Lines 5 and 10 _____

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT REALIZED	4. DEPRECIATION ALLOWABLE SINCE ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHEN ACQUIRED	6. SUBSEQUENT IMPROVEMENTS
		\$	\$	\$	\$

State how property was acquired _____

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 9)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT REALIZED	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. COST OR VALUE AS OF MARCH 1, 1913, WHEN ACQUIRED	7. SUBSEQUENT IMPROVEMENTS
Mo Day Year	Mo Day Year	Mo Day Year	\$	\$	\$	\$

State how property was acquired _____

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 10)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All	XXXXXX
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, Treasury Bills, and Treasury Certificates of Indebtedness			All	XXXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions			All	XXXXXX
(d) Liberty 4% and 4½% Bonds, Treasury Bonds, and Treasury Savings Certificates			\$5,000	\$
(e) Treasury Notes			None	

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

14. *Times Building - Times Bldg*
Chapel Ymca. - Chapel Ymca Bldg

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PRINCIPAL LIFE AFTER ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHEN ACQUIRED	6. DEPRECIATION CLAIMED
				\$	\$

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AS OF MARCH 1, 1913, WHEN ACQUIRED	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE RECEIVED
		\$	\$	\$	\$

(Auditor's Stamp)

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

File No. 9

For Calendar Year 1932

Serial Number 6

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1933

PRINT NAME AND ADDRESS PLAINLY BELOW

REVIEW

SECTION E

BY I. GARRON

DAT SEP 3 1934

Peter L Perry

3030 Chevy Chase

Glendale

Los Angeles

Occupation, Business, or Profession

Contractor & Painter

- Are you a citizen or resident of the United States? *Yes*
- If you filed a return for 1931, to which Collector's office was it sent? *Los Angeles*
- Is this a joint return of husband and wife? *Yes*
- State name of husband or wife if separate return was made and the Collector's office to which it was sent *Mr. Peter L Perry Los Angeles*
- Were you married and living with husband or wife on the last day of your taxable year? *Yes*
- If not, were you on the last day of your taxable year in your household one or more persons closely related to you?
- If many dependent persons (other than husband or wife) 18 years of age or incapable of self-support received support from you during your taxable year?
- If your status in respect to question 5, 6, or 7 changed during the year, state date and nature of change.

9. State whether your books are kept on cash or accrual basis

INCOME

- Salaries, Wages, Commissions, Fees, etc. (State name and address of employer) *\$ 22071*
- Income from Business or Profession. (From Schedule A) *22859*
- Interest on Bank Deposits, Notes, Corporation Bonds, etc., (except interest on tax-free covenant bonds) *2055704*
- Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
- Income from Partnerships, Syndicates, Pools, etc. (State name and address)
- Income from Fiduciaries. (State name and address) *799527*
- Rents and Royalties. (From Schedule B)
- Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)
- Taxable Interest on Liberty Bonds, etc. (From Schedule E)
- Dividends on: (a) Stock of Domestic Corporations subject to taxation under Title I of 1932 Act *19495*
(b) Stock of Domestic Corporations not subject to taxation under Title I of 1932 Act
(c) Stock of Foreign Corporations
- Other Income. (State nature of income)
(a) *8897185*
(b)

12. TOTAL INCOME IN ITEMS 1 TO 11

DEDUCTIONS

- Interest Paid *358965*
- Taxes Paid. (Explain in Schedule F) *183217*
- Losses by Fire, Storm, etc. (Explain in Table at foot of page 3)
- Bad Debts. (Explain in Schedule F)
- Contributions. (Explain in Schedule F) *57447*
- Other Deductions Not Reported Above. (Explain in Schedule F)
- TOTAL DEDUCTIONS IN ITEMS 13 TO 18
- Net Income (Item 12 minus Item 19)
- Loss: Net loss for 1931 (Submittal Schedule)
- NET INCOME FOR TAX COMPUTATION (Item 20 minus Item 21)

COMPUTATION OF TAX (See Instruction 23)

- Net Income Subject to Tax (Item 22 above)
- Less: Interest on Liberty Bonds, etc. (Item 9)
- Dividends (Item 10 (a))
- Personal Exemption
- Credit for Dependents
- Total of Items 24 to 27
- Balance subject to Normal Tax (Item 28 minus Item 29)
- Amount taxable at 4% (not over \$4,000)
- Amount taxable at 8% (Item 28 minus 30)
- Amount of Capital Net Gain or Loss (From Schedule D)
- Normal Tax (4% of Item 30)
- Normal Tax (8% of Item 31)
- Surtax on Item 22 (See Instruction 23)
- Tax on Net Income (total of Items 23 to 31)
- Adjustment for Capital Gain or Loss (12% of Item 32)
- Total Tax (total of or difference between Items 34 and 37)
- Less: Income Tax Paid at Source (Item 4)
- Income Tax Paid to a foreign country or U. S. possession
- Balance of Tax (Item 38 minus 39 and 40)

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief is a true and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1932 and the Regulations thereunder.

(See Instructions 27)

(If return is made by agent, the name of the agent must be stated on this form)

For Christmast Yest I

3 10-1092
25 1-1092
25 1-1092

ကလေးတို့၏ အသံအသွယ်ကို ကျွန်ုပ်တို့

Collegiate's office in which it was
located at the time was used as the
place where he was kept. The
prisoner was held there until he
was taken to the Federal House
in the District of Columbia.
He was released from custody
on June 2, 1967.

Q. What was the date of the last meeting?

3360 MEI

1870-1871, 1872-1873, 1874-1875, 1876-1877, 1878-1879, 1880-1881, 1882-1883, 1884-1885, 1886-1887, 1888-1889, 1890-1891, 1892-1893, 1894-1895, 1896-1897, 1898-1899, 1900-1901, 1902-1903, 1904-1905, 1906-1907, 1908-1909, 1910-1911, 1912-1913, 1914-1915, 1916-1917, 1918-1919, 1920-1921, 1922-1923, 1924-1925, 1926-1927, 1928-1929, 1930-1931, 1932-1933, 1934-1935, 1936-1937, 1938-1939, 1940-1941, 1942-1943, 1944-1945, 1946-1947, 1948-1949, 1950-1951, 1952-1953, 1954-1955, 1956-1957, 1958-1959, 1960-1961, 1962-1963, 1964-1965, 1966-1967, 1968-1969, 1970-1971, 1972-1973, 1974-1975, 1976-1977, 1978-1979, 1980-1981, 1982-1983, 1984-1985, 1986-1987, 1988-1989, 1990-1991, 1992-1993, 1994-1995, 1996-1997, 1998-1999, 2000-2001, 2002-2003, 2004-2005, 2006-2007, 2008-2009, 2010-2011, 2012-2013, 2014-2015, 2016-2017, 2018-2019, 2020-2021, 2022-2023, 2024-2025, 2026-2027, 2028-2029, 2030-2031, 2032-2033, 2034-2035, 2036-2037, 2038-2039, 2040-2041, 2042-2043, 2044-2045, 2046-2047, 2048-2049, 2050-2051, 2052-2053, 2054-2055, 2056-2057, 2058-2059, 2060-2061, 2062-2063, 2064-2065, 2066-2067, 2068-2069, 2070-2071, 2072-2073, 2074-2075, 2076-2077, 2078-2079, 2080-2081, 2082-2083, 2084-2085, 2086-2087, 2088-2089, 2090-2091, 2092-2093, 2094-2095, 2096-2097, 2098-2099, 2100-2101, 2102-2103, 2104-2105, 2106-2107, 2108-2109, 2110-2111, 2112-2113, 2114-2115, 2116-2117, 2118-2119, 2120-2121, 2122-2123, 2124-2125, 2126-2127, 2128-2129, 2130-2131, 2132-2133, 2134-2135, 2136-2137, 2138-2139, 2140-2141, 2142-2143, 2144-2145, 2146-2147, 2148-2149, 2150-2151, 2152-2153, 2154-2155, 2156-2157, 2158-2159, 2160-2161, 2162-2163, 2164-2165, 2166-2167, 2168-2169, 2170-2171, 2172-2173, 2174-2175, 2176-2177, 2178-2179, 2180-2181, 2182-2183, 2184-2185, 2186-2187, 2188-2189, 2190-2191, 2192-2193, 2194-2195, 2196-2197, 2198-2199, 2200-2201, 2202-2203, 2204-2205, 2206-2207, 2208-2209, 2210-2211, 2212-2213, 2214-2215, 2216-2217, 2218-2219, 2220-2221, 2222-2223, 2224-2225, 2226-2227, 2228-2229, 2230-2231, 2232-2233, 2234-2235, 2236-2237, 2238-2239, 2240-2241, 2242-2243, 2244-2245, 2246-2247, 2248-2249, 2250-2251, 2252-2253, 2254-2255, 2256-2257, 2258-2259, 2260-2261, 2262-2263, 2264-2265, 2266-2267, 2268-2269, 2270-2271, 2272-2273, 2274-2275, 2276-2277, 2278-2279, 2280-2281, 2282-2283, 2284-2285, 2286-2287, 2288-2289, 2290-2291, 2292-2293, 2294-2295, 2296-2297, 2298-2299, 2300-2301, 2302-2303, 2304-2305, 2306-2307, 2308-2309, 2310-2311, 2312-2313, 2314-2315, 2316-2317, 2318-2319, 2320-2321, 2322-2323, 2324-2325, 2326-2327, 2328-2329, 2330-2331, 2332-2333, 2334-2335, 2336-2337, 2338-2339, 2340-2341, 2342-2343, 2344-2345, 2346-2347, 2348-2349, 2350-2351, 2352-2353, 2354-2355, 2356-2357, 2358-2359, 2360-2361, 2362-2363, 2364-2365, 2366-2367, 2368-2369, 2370-2371, 2372-2373, 2374-2375, 2376-2377, 2378-2379, 2380-2381, 2382-2383, 2384-2385, 2386-2387, 2388-2389, 2390-2391, 2392-2393, 2394-2395, 2396-2397, 2398-2399, 2400-2401, 2402-2403, 2404-2405, 2406-2407, 2408-2409, 2410-2411, 2412-2413, 2414-2415, 2416-2417, 2418-2419, 2420-2421, 2422-2423, 2424-2425, 2426-2427, 2428-2429, 2430-2431, 2432-2433, 2434-2435, 2436-2437, 2438-2439, 2440-2441, 2442-2443, 2444-2445, 2446-2447, 2448-2449, 2450-2451, 2452-2453, 2454-2455, 2456-2457, 2458-2459, 2460-2461, 2462-2463, 2464-2465, 2466-2467, 2468-2469, 2470-2471, 2472-2473, 2474-2475, 2476-2477, 2478-2479, 2480-2481, 2482-2483, 2484-2485, 2486-2487, 2488-2489, 2490-2491, 2492-2493, 2494-2495, 2496-2497, 2498-2499, 2500-2501, 2502-2503, 2504-2505, 2506-2507, 2508-2509, 2510-2511, 2512-2513, 2514-2515, 2516-2517, 2518-2519, 2520-2521, 2522-2523, 2524-2525, 2526-2527, 2528-2529, 2530-2531, 2532-2533, 2534-2535, 2536-2537, 2538-2539, 2540-2541, 2542-2543, 2544-2545, 2546-2547, 2548-2549, 2550-2551, 2552-2553, 2554-2555, 2556-2557, 2558-2559, 2560-2561, 2562-2563, 2564-2565, 2566-2567, 2568-2569, 2570-2571, 2572-2573, 2574-2575, 2576-2577, 2578-2579, 2580-2581, 2582-2583, 2584-2585, 2586-2587, 2588-2589, 2590-2591, 2592-2593, 2594-2595, 2596-2597, 2598-2599, 2600-2601, 2602-2603, 2604-2605, 2606-2607, 2608-2609, 2610-2611, 2612-2613, 26

NAME (Last, first, middle initial) _____

Printed on the same paper as the original, and in the same style.

សំណុំរឿង៖ ០០២/២០១៩ ថ្ងៃទី០២ ខែកក្កដា ឆ្នាំ២០១៩

សម្រាប់ការបោះឆ្នោត (សម្រាប់ការបោះឆ្នោត) ឆ្នាំ ២០០៣

... (11 November 1957) ...

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THE UNIVERSITY OF CHICAGO PRESS

[illegible]

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.....

1) $\frac{1}{2} \frac{d}{dt} \int_{\mathbb{R}^n} |u|^2 dx = \int_{\mathbb{R}^n} u \Delta u dx = - \int_{\mathbb{R}^n} |\nabla u|^2 dx \leq 0$

... .. (Kazakhstan)

1968-1969

PLANTAS DE LA SIERRA DE LA NEBLA

... .. (31 April 1964) ...

... .. 1771 101 101 101 101

3 ZOETATOPHOS

1944-45 season: 70T 157 7000000 9000000 2000000

1940 1941

(19) (上野, 堀江, 1983, p. 10)

01314900(11 'jul 21:00')

21. 72 of 85 rows! to last

1. (a) $\frac{1}{2}$ (b) $\frac{1}{2}$ (c) $\frac{1}{2}$ (d) $\frac{1}{2}$ (e) $\frac{1}{2}$ (f) $\frac{1}{2}$ (g) $\frac{1}{2}$ (h) $\frac{1}{2}$ (i) $\frac{1}{2}$ (j) $\frac{1}{2}$ (k) $\frac{1}{2}$ (l) $\frac{1}{2}$ (m) $\frac{1}{2}$ (n) $\frac{1}{2}$ (o) $\frac{1}{2}$ (p) $\frac{1}{2}$ (q) $\frac{1}{2}$ (r) $\frac{1}{2}$ (s) $\frac{1}{2}$ (t) $\frac{1}{2}$ (u) $\frac{1}{2}$ (v) $\frac{1}{2}$ (w) $\frac{1}{2}$ (x) $\frac{1}{2}$ (y) $\frac{1}{2}$ (z) $\frac{1}{2}$

power factor of 0.85. The power factor is defined as the ratio of the real power to the complex power.

... and the ...

TYPESET

[Faint handwritten notes at the bottom of the page]

(18) *ant3297* [ant] 99%

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1932

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1933

SEP 13 1932
SECTION E
1932

PRINT NAME AND ADDRESS PLAINLY BELOW
Mrs Peter L Ferry
3030 Chevy Chase
Glendale Los Angeles Cal
(First office) (County) (State)
Occupation, Business, or Profession House Wife

- Are you a citizen or resident of the United States? Yes
- If you filed a return for 1931, to which Collector's office was it sent? Los Angeles
- Is this a joint return of husband and wife? Yes
- State name of husband or wife if a separate return was made and the Collector's office to which it was sent Peter L Ferry
- Were you married and living with husband or wife on the last day of your taxable year? Yes
- If not, were you on the last day of your taxable year in your household one or more persons closely related to you?
- How many dependent persons (other than husband or wife) 18 years of age or incapable of self-support received support from you during your taxable year? 0
- If your status in respect to question 5, 6, or 7 changed during the year, state date and nature of change
- State whether your books are kept on cash or accrual basis

INCOME		Amount received	Expenses paid (Explain in Schedule F)
1. Salaries, Wages, Commissions, Fees, etc. (State name and address of employer)		\$	\$
2. Income from Business or Profession. (From Schedule A)			
3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free bonds)			
4. Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source			
5. Income from Partnerships, Syndicates, Pools, etc. (State name and address)			
6. Income from Fiduciaries. (State name and address)			
7. Rents and Royalties. (From Schedule B)			
8. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)			
9. Taxable Interest on Liberty Bonds, etc. (From Schedule E)			
10. Dividends on: (a) Stock of Domestic Corporations subject to taxation under Title I of 1932 Act (b) Stock of Domestic Corporations not subject to taxation under Title I of 1932 Act (c) Stock of Foreign Corporations			
11. Other Income. (State nature of income)			
12. TOTAL INCOME IN ITEMS 1 TO 11			

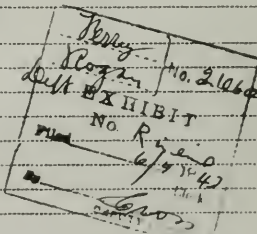
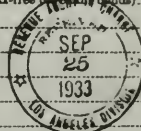
DEDUCTIONS		
13. Interest Paid. (Explain in Schedule F)		
14. Taxes Paid. (Explain in Schedule F)		
15. Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)		
16. Bad Debts. (Explain in Schedule F)		
17. Contributions. (Explain in Schedule F)		
18. Other Deductions Not Reported Above. (Explain in Schedule F)		
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18		
20. NET INCOME (Item 12 minus Item 19)		
21. Less: Net loss for 1931 (Submit Schedule)		
22. NET INCOME FOR TAX COMPUTATION (Item 20 minus Item 21)		

COMPUTATION OF TAX (See Instruction 23)		
23. Net Income Subject to Tax (Item 22 above)		\$ 5618.63
24. Less: Interest on Liberty Bonds, etc. (Item 9)		
25. Dividends (Item 10 (a))		
26. Personal Exemption	2500	
27. Credit for Dependents	2400	
28. Total of Items 24 to 27	4900	
29. Balance subject to Normal Tax (Item 23 minus 28)		\$ 718.63
30. Amount taxable at 4% (not over \$4,000)		
31. Amount taxable at 8% (Item 29 minus 30)		
32. Amount of Capital Net Gain or Loss (From Schedule 1)		
33. Normal Tax (6% of Item 30)		
34. Normal Tax (8% of Item 31)		
35. Surtax on Item 22 (See Instruction 23)		
36. Tax on Net Income (Total of Items 33 to 35)		
37. Adjustment for Capital Gain or Loss (15% of Item 32)		
38. Total Tax (total of or difference between Items 36 and 37)		
39. Less: Income Tax Paid at Source 6% of Item 4		
40. Income Tax Paid to a foreign country or U. S. possession		
41. Balance of Tax (Item 38 minus 39 and 40)		

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief is a true and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1932 and the Regulations thereunder.

ATTACH REMITTANCE HERE



7995.27

1932.17

544.47

Int. to

1. Total receipts from business or profession (state kind of business).

COST OF GOODS SOLD

2. Labor	\$.....
3. Material and supplies .....	.....
4. Merchandise bought for sale .....	.....
5. Other costs (itemize below or on separate sheet) .....	.....
6. Plus inventory at beginning of year .....	.....
7. TOTAL (Lines 2 to 6)	\$.....
8. Less inventory at end of year .....	.....
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	\$.....

Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

OTHER BUSINESS DEDUCTIONS

10. Relative not included as "Labor" in Line 2. (Do not deduct compensation for your services.)
11. Interest on business indebtedness to others.
12. Taxes on business and business property.
13. Losses (explain in table at foot of page).
14. Bad debts arising from sales or services.
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).
16. Rent, repairs, and other expenses (itemize below or on separate sheet).
17. Total (Lines 10 to 16).
18. TOTAL DEDUCTIONS (Line 9 plus Line 17).
19. NET PROFIT (Line 1 minus Line 18) (Enter as

Explanation of deductions claimed on Lines 5 and 16

SCHEDULE B--INCOME FROM RENTS AND ROYALTIES (See instruction 7)

1. KIND OF PROPERTY	2. AMOUNT REQUIRED	3. COST OR VALUE as of MARCH 1, 1913, WHATEVER GREATER	4. DEPRECIATION (Specify in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Include below)
14 <i>Home Jewelry</i>	\$ 5598 39 1500 00 00	\$ 2940 00	\$ 1176 00	\$ 3471 84	\$ 1000 00
			<i>1/2 Replaced By Other Jewelry</i>		3

**Explanation of deductions
claimed in Column 6.**

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See instruction 8)

1 KIND OF PROPERTY	2 DATE ACQUIRED	3 AMOUNT REALIZED	4 COST	5 MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE	6 COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7 DEPRECIATION ALLOWED FOR ALLOW- ABLE SUCH ACQUI- TION OR MARCH 1, 1913
		\$	\$	\$	\$	\$

State how property was acquired.

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See instructions)

[illegible]

State how property was acquired . . .

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See instructions)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED OR ACCRUED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN FAITH OF PAYMENT
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia.....	\$	\$	All.	XXXXXX 2A
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, Treasury Bills, and Treasury Certificates of Indebtedness.....			All.	XXXXXX 2B
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions.....			All.	XXXXXX 2A
(d) Liberty 4% and 4½% Bonds and Treasury Bonds.....			\$5,000	\$
(e) Treasury Notes.....				XXXXXX 2A

SCHEDULE F-EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

Enoch & Charles
Partners in Business Property

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AND WHEN ACQUIRED	4. PREPARSE 1 PER. STATE ACQUISITION	5. COST (Exclusive of Land)	6. MARCH 1, 1935, VAL. & IF ACQUIRED FROM A TRUST (LIFE (Exclusive of Land)	7. DEPRECIATION ALLOWANCE, AGAIN ABLE IN FORM 1340
17. <i>Private Dwelling</i>	1910	<i>New</i>	25%	\$ 22,000.00	\$	\$ 42

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN IT.

1 KIND OF PROPERTY	2 DATE ACQUIRED	3 COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	4 SUBSEQUENT IMPROVEMENTS	5 DEPRECIATION ALLOWANCE SINCE ACQUISITION	6 INSTALMENT AND PAID IN VALUE
MARINE ENGINE, BOAT, etc.		\$	\$	\$	\$
BOAT FOR HOME CROUCHING, etc.					

SCHEDULE

INCOME FROM BUSINESS OR PROFESSION

1 Total net business or professional income, less expenses, and losses

2 Less: (a) ...

3 ...

4 ...

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SCHEDULE B INCOME FROM RENTS AND DIVIDENDS

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INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1933

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1934

PRINT NAME AND ADDRESS PLAINLY BELOW

Peter L Ferry
3030 Chevy Chase
Glendale (Street and number, or rural route)
Los Angeles (City)
Cal (State)

1. Are you a citizen or resident of the United States? *Yes*
2. If you filed a joint return with your spouse, was it for the calendar year 1933? *No*
3. Is this a joint return of husband and wife? *No*
4. State whether you are single or married, and the date of marriage, if married, and the date of separation, if separated, and the date of divorce, if divorced.
5. Were you married and living with husband or wife during part of the year? *Yes*
6. If not, were you during your income and capital gains in your household one of more persons closely related to you?
7. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during the year?
8. If your estate is subject to tax under this Act, state date and nature of change.
9. State whether your books are kept in cash or accrual basis. *Accrual*

UNEMPLOYMENT COMPENSATION, or from interest, dividends, etc. Check in the proper box from which you received payment:
☐ Unemployment compensation
☐ Dividends
☐ Interest
☐ Tax-exempt interest
☐ Taxable interest
☐ Other (specify)

NOT INV.

ATTACH REMITTANCE HERE

- NAME AND ADDRESS OF TAXPAYER
Mrs P L Ferry
INCOME
Amount received (Explain in Schedule E)
1. Salaries, Wages, Commissions, Fees, etc. (State name and address of employer)
2. Income (or Loss) from Business or Profession. (From Schedule A)
3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)
4. Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source
5. Income (or Loss) from Partnerships, Syndicates, Pools, etc. (State name, address, and kind of business)
6. Income from Fiduciaries. (State name and address)
7. Rents and Royalties. (From Schedule B)
8. (a) Profit from Sale of Stocks and Bonds held two years or less. (From Schedule C)
(b) Profit or Loss from Sale of Other Assets held two years or less. (From Schedule C)
(c) Profit or Loss from Sale of Capital Assets (if not reported as Item 30). (From Schedule C)
9. Taxable Interest on Liberty Bonds, etc. (From Schedule D)
10. Dividends on Stock of: (a) Domestic Corporations subject to taxation under Title I of 1932 Act
(b) Domestic Corporations not subject to taxation under Title I of 1932 Act
(c) Foreign Corporations
11. Other Income. (State nature) (Use separate schedule, if necessary)
12. **TOTAL INCOME IN ITEMS 1 TO 11.**

16 073 06
45 45
6 817 55
3 265 81

DEDUCTIONS

13. Interest Paid
14. Taxes Paid. (Explain in Schedule E)
15. Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)
16. Bad Debts. (Explain in Schedule F)
17. Contributions. (Explain in Schedule F)
18. Other Deductions Authorized by Law. (Explain in Schedule E)
19. **TOTAL DEDUCTIONS IN ITEMS 13 TO 18.**
20. **NET INCOME (Item 12 minus Item 19)**

Perry No. *210672*
EXHIBIT
No. 5
6/9/1943
Clark
EX-1
CLERK

20 498 79
21 89 62
29 71
23 99 13

COMPUTATION OF TAX (See Instruction 23)

21. Net Income Subject to Tax (Item 20 above) \$ *2026 40*
22. Less: Interest on Liberty Bonds, etc. (Item 9) \$
23. Dividends (Item 10) *2000 00*
24. Personal Exemption *4500 00*
25. Credit for Dependents *2000 00*
26. Total of Items 22 to 25 \$
27. Balance subject to Normal Tax (Item 21 minus 26) \$
28. Amount taxable at 4% (not over \$4,000) \$
29. Amount taxable at 8% (Item 27 minus 28) \$
30. Amount of Capital Net Gain or Loss (if not reported as Item 8 (c)) (From Schedule C) \$
31. Normal Tax (Item 27)
32. Normal Tax (Item 28)
33. Surplus on Item 20 (see instruction 23)
34. Tax on Net Income (total of Items 31 and 32)
35. Adjustment for Capital Gain or Loss (see instruction 23)
36. Total Tax (total of credit between Items 31 and 35)
37. Less: Income Tax Paid at Source (if any)
38. Income Tax Paid to a foreign country or U.S. possession (if any)
39. Balance of Tax (Item 36 minus Items 37 and 38)

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief is a true and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1932 and the National Act and the Regulations issued thereunder.

(See Instruction 27)

(If return is made by agent, the return therefor must be signed by the agent)

Sworn to and subscribed before me this *14* day of *March*, 1934.

Peter L Ferry
Signature of taxpayer

INDIVIDUAL INCOME TAX RETURN

FOR ALL INCOMES FROM ALL SOURCES
AND INCOME FROM BUSINESS, PROFESSION, OR OTHER SOURCE

For Calendar Year 1938

For the Person Whose Name is on the Return, the Return is to be Completed by the Taxpayer or by a Person Authorized to Sign the Return

10/1/38

John A. Smith

3030 Chestnut St.

Philadelphia, Pa.

No.

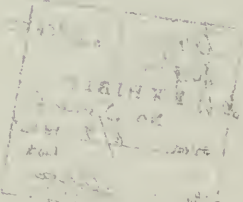
1938-39

NEED NOT BE FILLED

10/1/38

10/1/38

10/1/38



RECEIVED

OCT 10 1938

U.S. DEPT. OF TREASURY

COMMITTEE OF THE

10/1/38

10/1/38

10/1/38

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10/1/38

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10/1/38

10/1/38

10/1/38

1. Total receipts from business or profession (state kind of business). *Consulting Real Estate Consultant*

Cost of Goods Sold

2. Labor *\$ 10,242.45*

3. Material and supplies

4. Merchandise bought for sale

5. Other costs (itemize below or on separate sheet) *26,281.56*

6. Plus inventory at beginning of year *483.80*

7. TOTAL (Lines 2 to 6) *47,714.81*

8. Less inventory at end of year *483.80*

9. Net Cost of Goods Sold (Line 7 minus Line 8) *\$ 37,051.01*

Enter "C", or "C or M", on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

OTHER BUSINESS DEDUCTIONS

10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services) *\$*

11. Interest on business indebtedness to others

12. Taxes on business and business property

13. Losses (explain in table at foot of page)

14. Bad debts arising from sales or services

15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page) *480.30*

16. Rent, repairs, and other expenses (itemize below or on separate sheet)

17. TOTAL (Lines 10 to 16) *\$ 37,537.21*

18. TOTAL DEDUCTIONS (Line 9 plus Line 17) *37,537.21*

19. Net Profit (on Long) (Line 1 minus Line 18) (Enter as item)

Explanation of deductions claimed on Lines 5 and 16: *20% Depreciation on Rental Equipment*

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AT MAR. 1, 1913, WHEN ACQUIRED	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Itemize below)
<i>14 Frame Dwelling 9 Road</i>	<i>\$ 4249.67</i>	<i>\$ 29400.00</i>	<i>\$ 588.00</i>	<i>\$ 375.80</i>	

Explanation of deductions claimed in Column 6:

SCHEDULE C—PROFIT OR LOSS FROM SALE OF STOCKS, BONDS, REAL ESTATE, ETC. (See Instruction 7)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. COST	6. MAR. 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE	7. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MAR. 1, 1913	8. DEPRECIATION ALLOWABLE (See Instructions 1, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
(a) STOCKS AND BONDS* HELD TWO YEARS OR LESS:	Mo. Day Year	Mo. Day Year					
Total (a) (Transfer net profit to Item 8 (a))	XXXXX	XXXXX	\$	\$	\$		XXXXX
(b) OTHER ASSETS HELD TWO YEARS OR LESS:			\$	\$	\$	\$	\$
Total (b) (Transfer net profit or loss to Item 8 (b))	XXXXX	XXXXX	\$	\$	\$	\$	\$
(c) CAPITAL ASSETS:			\$	\$	\$	\$	\$
Total (c) (Transfer net gain or loss to Item 8 (c) or 30)	XXXXX	XXXXX	\$	\$	\$	\$	\$

* As defined in Section 23 (t), 1932 Act.
State how property was acquired.

SCHEDULE D—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 7)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED OR ACCRUED	4. PRINCIPAL AMOUNT PAID OR RECEIVED	5. AMOUNT OWNED IN EXCESS OF PAR
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All	XXXXXX
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, and obligations of United States possessions			All	XXXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917			All	XXXXXX
(d) Liberty 4½% and 4¼% Bonds and Treasury Bonds			\$5,000	\$
(e) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	XXXXXX

SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18

*Rental Income from 14 Frame Dwelling
Depreciation on Rental Equipment*

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. DEPRECIABLE LIFE AFTER ACQUISITION	5. COST (Exclusive of Land)	6. MAR. 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Exclusive of Land)	7. DEPRECIATION ALLOWABLE (See Instructions 1, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
<i>14 Frame Dwelling</i>	<i>1920</i>	<i>New</i>	<i>25 yrs</i>	<i>\$ 29400.00</i>		<i>\$ 480.30</i>
<i>Depreciation on Rental Equipment</i>	<i>1933</i>		<i>5 yrs</i>	<i>4863.80</i>		<i>20%</i>

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A AND IN ITEM 19

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AT MAR. 1, 1913, WHEN RECEIVED	4. REPAIRS	5. DEPRECIATION	6. INSURANCE
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(Auditor's Stamp)

CLOSED

49 Additional Tax

..... 2

6/14/35

INDIVIDUAL INCOME TAX RETURN

Do Not Write in

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000

AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

For Calendar Year 1933

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1934

PRINT NAME AND ADDRESS PLAINLY BELOW

Mrs Peter L Ferry

3030 Chevy Chase

Glendale

(Street and number, or rural route)

Los Angeles

CAL

Alata

- | | |
|---|--|
| 1. Are you a citizen or resident of the United States? <i>Yes</i> | 2. If not, were you during your taxable year supporting in your household one or more persons closely related to you? <i>No</i> |
| 3. Did you start a new business or other activity in which the collector's office was in some way interested? <i>No</i> | 4. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support resided in the household from you during your taxable year? <i>0</i> |
| 5. In this case, state name of husband or wife, the dependent person, and the business in which the Collector's office was interested. If it was not, state the reason. <i>Not during</i> | 6. If you were a partner in a partnership, or changed during the year, state date and nature of change. <i>Yes change</i> |
| 7. Were you ever married? If not, state with husband or wife during your taxable year? <i>Yes</i> | 8. State whether your assets have been kept in cash or secured basis. <i>Secured</i> |

OCCUPATIONAL CLASSIFICATION OF ITEM 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 83

ATTACH REMITTANCE HERE

INCOME	Amount received	Expenses paid
1. Salary		
2. Dividends		
3. Interest		
4. Capital gains		
5. Other income		
6. Total income		
7. Expenses		
8. Net income		

DEDUCTIONS

Perry
 Roza
 21060
 last EXHIBIT
 No. T. and
 Filed 6/7 1943
 C-2
 Ku *Carson*

COMPUTATION OF TAX (See Instruction 23)

- | | | | | |
|---|----|------|--|--|
| 21. Not Income Subject to Tax (Item 20 above)..... | \$ | None | 31. Normal Tax (1% of Item 2) | |
| 22. Less: Interest on Liberty Bonds,
etc. (Item 8)..... | \$ | | 32. Normal Tax (8% of Item 2) | |
| 23. Dividends (Item 10 (c))..... | \$ | | 33. Surtax on Item 20 (see instructions) | |
| 24. Personal Exemption..... | \$ | | 34. Tax on Net Income (see instructions) | |
| 25. Credit for Dependents..... | \$ | | 35. Adjustment for Capital Gains and Losses | |
| 26. Total of Items 22 to 25..... | \$ | | 36. Total Tax (sum of a difference between Items 31, 32, 33, 34, and 35) | |
| 27. Balance subject to Normal Tax (Item 21 minus 26)..... | \$ | None | 37. Less: Income Tax Paid at Source (see instructions) | |
| 28. Amount taxable at 4% (not over \$4,000)..... | \$ | None | 38. Income Tax Paid to a foreign country or U.S. possession | |
| 29. Amount taxable at 4% (Item 27 minus 28)..... | \$ | | 39. Balance of Tax (Item 36 minus Items 37 and 38) | |
| 30. Amount of Capital Gain or Loss (if not reported as Item 4 (c)) (From Schedule C (a))..... | \$ | | | |

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my belief is a true and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1942 and the National Internal Revenue Act and the Regulations issued thereunder.

(See instruction 27)

(If return is made by agent, the reason therefor must be stated on a separate sheet.)

Sworn to and subscribed before me this 14 day of March, 1934

Wm. L. L.
Peter I. Perry

1. Total receipts from business or profession (state kind of business) <i>Restoring</i>		10. Salaries not included as "Labor" in Line 2 do not deduct compensation for your services	
Cost of Goods Sold		11. Interest on business indebtedness to others	
2. Labor		12. Taxes on business and business property	
3. Material and supplies		13. Losses (explain in table at foot of page)	
4. Merchandise bought for sale		14. Bad debts arising from sales or services	
5. Other costs (itemize below or on separate sheet)	19300 00	15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	4863
6. Plus inventory at beginning of year	4863 80	16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
7. TOTAL (Lines 2 to 6)	24163 80	17. TOTAL (Lines 10 to 16)	19786 80
8. Less inventory at end of year	4863 80	18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	19300 00	19. NET PROFIT (OR LOSS) (Line 1 minus Line 18). Enter as Item 2	

Enter "C", or "C or M", on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower

Explanation of deductions claimed on Lines 6 and 16

Power Bills, Gas, Oil, Payable, Depreciation on Rental Equipment
1/2 claimed by C. L. Perry

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHEN RECEIVED	4. DEPRECIATION (EXPLAIN IN TABLE AT FOOT OF PAGE)	5. REPAIRS	6. OTHER EXPENSES (EXPLAIN IN TABLE AT FOOT OF PAGE)
14. <i>Excess Drilling</i>	\$ 4249 61	\$ 29400 00	\$ 588 00	\$ 375 80	

Explanation of deductions claimed in Column 6

SCHEDULE C—PROFIT OR LOSS FROM SALE OF STOCKS, BONDS, REAL ESTATE, ETC. (See Instruction 10)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT REALIZED	5. COST	6. MARCH 1, 1913, VALUE PAID FOR (PAID TO THAT DATE)	7. COST OF IMPROVEMENTS (PAID FOR AFTER MARCH 1, 1913)	8. DEPRECIATION ALLOWANCE (ALLOWED FOR AFTER MARCH 1, 1913)
(a) STOCKS AND BONDS* HELD TWO YEARS OR LESS:	Mo Day Year	Mo Day Year	\$	\$	\$		XXXXXX XXXXXX
Total (a) (Transfer net profit to Item 8 (a))	XXXXXX	XXXXXX	\$	\$	\$		XXXXXX XXXXXX
(b) OTHER ASSETS HELD TWO YEARS OR LESS:			\$	\$	\$		XXXXXX XXXXXX
Total (b) (Transfer net profit or loss to Item 8 (b))	XXXXXX	XXXXXX	\$	\$	\$		XXXXXX XXXXXX
(c) CAPITAL ASSETS:			\$	\$	\$		XXXXXX XXXXXX
Total (c) (Transfer net gain or loss to Item 8 (c) or 30)	XXXXXX	XXXXXX	\$	\$	\$		XXXXXX XXXXXX

* As defined in Section 23 (t), 1932 Act. State how property was acquired.

SCHEDULE D—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 11)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED OR ACCRUED	4. PRINCIPAL AMOUNT RECEIVED FROM TAXATION	5. AMOUNT OWNED IN YEAR OF SALE
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All	XXXXXX
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, and obligations of United States possessions			All	XXXXXX
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917			All	XXXXXX
(d) Liberty 4% and 4½% Bonds and Treasury Bonds			\$5,000	
(e) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	XXXXXX

SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 11, 16, 17, AND 18

Cush J. McC. Sebastian Army Bn. Tech
Based on Rental Property

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. KIND OF PROPERTY (If building, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROPOSED LIFE AFTER ACQUISITION	5. COST (FURNITURE OF LAND)	6. MARCH 1, 1913, VALUE PAID FOR (PAID TO THAT DATE)	7. DEPRECIATION ALLOWANCE (ALLOWED FOR AFTER MARCH 1, 1913)
14. <i>Excess Drilling</i>	1920	New	25 yrs	29400 00		4863 80
<i>1/2 claimed by C. L. Perry</i>	1935		5 yrs	4863 80		20
<i>Depreciation on Equipment</i>						

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A AND IN 11

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AS OF MARCH 1, 1913, WHEN RECEIVED	4. DEPRECIATION ALLOWANCE (ALLOWED FOR AFTER MARCH 1, 1913)	5. AMOUNT RECEIVED FROM INSURANCE	6. AMOUNT RECEIVED FROM OTHER SOURCES
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[DEFENDANT'S EXHIBIT U]

[Stamps]

JOINT TENANCY DEED

- - - Bert L. Perry and Anna T. Perry, husband and wife, - - - in consideration of - - - Ten (10.00) - - - Dollars, to them in hand paid, the receipt of which is hereby acknowledged, do.....hereby Grant to Peter L. Ferry and Catherine B. Ferry, husband and wife, - - - - - As Joint Tenants all that real property in the City of Glendale, County of Los Angeles, State of California, described as: Lot Thirteen (13), Block Twelve (12); Sparr Heights, in the Rancho San Rafael, as per map recorded in Book 59, page 34 to 36 of Maps, in the office of the County Recorder of said County.

This deed is an absolute conveyance, the consideration therefor (in addition to that above recited), being full satisfaction of all obligations secured by that certain trust deed executed by Anna T. Perry and Bert L. Perry, her husband, to Johnston Finance Corporation, a corporation, Trustee, recorded in Book 6580, page 31 of Official Records of Los Angeles County.

Grantors acknowledge that this conveyance is freely and fairly made; that the consideration received by grantor is equal to the fair value of the grantors' interest in said land, and that there are no agreements, oral or written, other than this deed between grantors and grantees with respect to said land.

Witness our hands this 6th day of December, 1932.

Bert L. Perry,
Anna T. Perry.

Title Guarantee and Trust Company, 220 West Fifth
Street, Los Angeles, California

(Defendant's Exhibit U)

State of California

County of Los Angeles—ss.

On this 6th day of December, 1932, before me, Ethel Keary, a Notary Public in and for said County, personally appeared Bert L. Perry and Anna T. Perry, husband and wife, - - - known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same.

Witness my hand and official seal.

Ethel Keary

Notary Public in and for said County and State.

My commission expires June 25, 1936.

Joint Tenancy Deed

B. L. Ferry et ux

To

Peter L. Ferry et ux

Dated December 6, 1932

Title Guarantee

and Trust Company

Title Guarantee Building

Broadway at Fifth

Los Angeles, California

Capital and Surplus over \$7,000,000.00

Order No. 363

Escrow No. 942753-HFS

When Recorded Please Mail to:

Peter L. Ferry

3030 Chevy Chase

Glendale Cal.

(Defendant's Exhibit U)

Recorded at Request of Title Guarantee & Trust Co.
Apr 18 1934 at 8:30 A. M. In Book 12688 Page 265 of
Official Records, Los Angeles County, Cal. C. L. Logan,
County Recorder. I certify that I have correctly trans-
cribed this document in above mentioned book. O. Allen-
baugh, Copyist County Recorder's Office L. A. County.

Compared Read by Colon Document Terry

[Endorsed]: No. 2106 OC. Terry vs. Rogan. Deft.
Exhibit No. U in evid. Filed 6/8 1943. By Cross,
Deputy Clerk.

[Title of District Court.]

United States of America,
Southern District of California—ss.

I, *R. S. Zimmerman*, Clerk of the United States District Court for the Southern District of California, do hereby certify that the foregoing is a full, true, and correct copy of Defendant's Exhibits A, B, C, D, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T and U, received in evidence on the trial of case No. 2106-O'C Civil, Catherine B. Ferry, as Executrix of the last will and testament of Peter Ferry, Deceased, Plaintiff, vs. Ethel Strickland Rogan, as Executrix of the Estate of Nat Rogan, Collector of Internal Revenue for the Sixth District of California deceased, Defendant, as the same appears from the original record remaining in my office.

Witness my hand and the seal of said Court, this 11th day of December, A. D. 1944.

[Seal]

EDMUND L. SMITH,
Clerk,

By R. B. CLIFTON,
Deputy Clerk.